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Financial report and audited financial statements

for the 12-month period from 1 July 2015 to 30 June 2016

and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AMISOM	African Union Mission in Somalia
ICT	Information and communications technology
IPSAS	International Public Sector Accounting Standards
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMA	United Nations Assistance Mission in Afghanistan
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force

UNEP	United Nations Environment Programme
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone
UNISFA	United Nations Interim Security Force for Abyei
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISS	United Nations Mission in South Sudan
UNMISET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti
UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNSOA	United Nations Support Office for the African Union Mission in Somalia
UNSOS	United Nations Support Office in Somalia

UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

Letter dated 30 September 2016 from the Secretary-General addressed to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to transmit the financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2015 to 30 June 2016, which I hereby approve. The financial statements have been certified by the Controller as correct in all material respects.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **BAN** Ki-moon

Letter dated 15 December 2016 from the Assistant Secretary-General, Controller, addressed to the Executive Secretary of the Board of Auditors

Further to my memorandum of 30 September 2016, I am transmitting a revised set of financial statements. The revised financial statements I through V, notes to the financial statements and annexes I and II reflect the final changes which were discussed and agreed upon with the Board of Auditors.

Please replace the previous set of financial statements with the attached.

(*Signed*) Bettina Tucci **Bartsiotas**
Assistant Secretary-General, Controller

Letter dated 19 January 2017 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2016, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of the United Nations peacekeeping operations, which comprise the statement of financial position as at 30 June 2016 (statement I), the statements of financial performance (statement II), changes in net assets (statement III), cash flows (statement IV) and comparison of budget and actual amounts (statement V) for the year ended 30 June 2016, and the notes and annexes to the financial statements.

Management's responsibility for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2016 and their financial performance and cash flows for the year then ended, in accordance with IPSAS.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India
(Chair of the Board of Auditors)

(*Signed*) Kay **Scheller**
President of the German Federal Court of Auditors
(Lead Auditor)

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania

19 January 2017

Chapter II
Long-form report of the Board of Auditors

Summary

United Nations peacekeeping operations are deployed on the basis of mandates from the Security Council to maintain international peace and security. As at 30 June 2016, there were 15 active United Nations peacekeeping missions, with 115 countries contributing 89,002 military personnel and 86 countries contributing 13,059 police personnel. In addition, there were 17,350 civilian staff of over 176 nationalities and 1,772 United Nations Volunteers.

The approved peacekeeping budget for the financial year 2015/16 was $8.30 billion, which represented a decrease of 3.2 per cent compared with the previous year's budget of $8.57 billion. Expenditure decreased by 3.4 per cent in 2015/16 to $8.02 billion from $8.30 billion in 2014/15. An amount of $0.28 billion was unutilized.

Scope of the present report

The audit examination conducted by the Board included the peacekeeping headquarters, the 15 active and 31 closed missions and the five special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB, including the Global Service Centre, the peacekeeping cost recovery fund and the employee benefits funds.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Nations peacekeeping operations as at 30 June 2016 and their financial performance and cash flows for the year then ended, in accordance with IPSAS.

Overall conclusion

The year ended 30 June 2016 was the third year of the preparation of the financial statements under IPSAS. The Administration has strengthened the systems and processes for the preparation of financial statements by implementing Umoja as an enterprise resource planning package at Headquarters and the SAP Business Planning and Consolidation software for the preparation of the consolidated financial statements. As there remains scope for further improvement, the Administration should continue its efforts to strengthen IPSAS-based accounting processes and train staff at the field missions.

Of the 31 recommendations made by the Board in 2014/15, the Board has determined that 15 (49 per cent) have been implemented, 10 (32 per cent) are under implementation, 1 (3 per cent) has not been implemented and 5 (16 per cent) have been overtaken by events. Therefore, the Administration is called upon to ensure concerted action to implement the Board's recommendations expeditiously.

The Board's examination of the financial position of peacekeeping operations confirmed that they remain financially stable, with sufficient cash resources to

sustain core operations. As in previous years, there remains room for improvement in business processes, such as budget formulation and financial management, procurement and contracting and asset management. In the current report, the Board also identified areas for improvement in accounting, air operations, medical services, environmental management and waste management in field missions.

Though there was a decrease in the number of cases of fraud and presumptive fraud reported by the Administration, from 52 in 2014/15 to 29 in 2015/16, the amount of fraud increased significantly, from $0.34 million to $4.54 million.

Key findings

Financial reporting

The actuary's valuation of the employee benefits liabilities was erroneous and needed to be revised three times. In the financial statements submitted to the Board on 30 September 2016, the employee benefits liabilities were understated by $440.1 million, leading to an overstatement of net assets of the same amount. In that context, the financial statements had to be revised and recertified twice as a result of the Board's audit. While part of the responsibility lay with the external actuary, the Board found that the Administration had submitted the census data required for the valuation late and had demonstrated weaknesses in reviewing the results of the valuation.

The peacekeeping operations invoked transitional provisions for items such as property, plant and equipment in the implementation of IPSAS. The actual associated costs of acquired items of property, plant and equipment are not recognized, but a standard costing percentage of 20 per cent is employed. Similarly, the actual costs of self-constructed items of property, plant and equipment are not recognized, but a standard cost approach based on depreciated replacement cost is used. Furthermore, the estimated useful lives of assets are not periodically reviewed.

Department of Peacekeeping Operations workplans

The Board noted that the Assistant Secretaries-General for Operations and for Rule of Law and Security Institutions and the Military Adviser for Peacekeeping Operations kept compacts derived from the compact of the Under-Secretary-General in terms of their structure and content. They included objectives, expected accomplishments and performance measures and set out goals together with related actions and success criteria. The workplans of the three Offices and their divisions, sections and units followed different approaches.

The Board noted that most of the workplans were only partially suited to monitoring whether the activities of the divisions, sections and units were completely appropriate for achieving the objectives set out in the compacts of the Under-Secretary-General, the Assistant Secretaries-General and the Military Adviser. The Board considers that restructuring the workplans and linking them to those compacts would enhance the transparency of the efforts of the Department of Peacekeeping Operations to fulfil peacekeeping mandates. The workplans could be used as a management tool supporting Department staff at all levels in working efficiently and in line with the requirements of their mandates.

Welfare

The standard operating procedure of the Department of Peacekeeping Operations states that the funds of all welfare and recreation committees shall be managed in accordance with United Nations financial rules and regulations for mission budgets. At MINUSCA, the Board found that the activities of the welfare and recreation committee were closely connected with the Mission. In 2009, OIOS had audited the staff welfare and counselling programmes at UNMIS and recommended that the staff welfare and recreation committee prepare annual reports and financial statements. However, no comprehensive information on the funds, income or expenses of the committee is available at present.

Asset and property management

As in recent years, the Board continued to note weaknesses in property management. It noted that the Department of Field Support had created a property management performance index as a method of aggregating complex information to enhance the visibility of missions' property management activities and to be used as an indicator of achievement in the results-based-budgeting framework. While this has made the statement of property management increasingly important, the quality of the property management performance framework, the related reports and the new index depends on the quality of the underlying data, which must be reliable, consistent and up to date. It is crucial that the Department of Field Support maintain the quality of data before and during the decommissioning of the Galileo inventory system in 2017.

Air operations

The roles of the Strategic Air Operations Centre of the United Nations Global Service Centre and the Transportation and Movements Integrated Control Centre of the Regional Service Centre in Entebbe, Uganda, were unclear with regard to the coordination of air assets. Neither was involved in the tasking of aircraft or the execution of flight operations or in addressing flight safety issues; missions themselves retained full responsibility for those functions. As a result of the lack of relevant governance documents and policies and the fact that the Aviation Manual 2005 had not yet been reviewed and the standard operating procedures of the Strategic Air Operations Centre and the aviation cell of the Transportation and Movements Integrated Control Centre had not been updated, their activities lacked the necessary guidance.

Acquisition planning and procurement management

The Administration has continued its work to consolidate the requirements of individual missions into a global acquisition plan. The Board encourages the Administration to use the lessons learned from its experience so far in this regard and to continue to strengthen the process. Mission acquisition plans need to include the necessary data, with requirements defined as accurately as possible. To maximize the opportunities provided by consolidated procurement, it is essential to analyse mission requirements and to produce an effective global acquisition plan. On that basis, a central procurement strategy needs to be developed. It remains unclear how that will be done and how the regional acquisition plan will be included in the process.

The Assistant Secretary-General for Central Support Services has delegated procurement authority to the Under-Secretary-General for Field Support, who has delegated that authority to the directors/chiefs of mission support. In turn, the directors/chiefs of mission support delegate procurement authority to their procurement staffs. The Board noted that the Department of Field Support did not have a full picture of missions' procurement sections, including the staff members of those sections and their training status. Furthermore, the Department did not submit the quarterly reports on time as required in the delegation documents.

The Board noted that the monitoring of procurement procedures was challenging because the Umoja business intelligence module was still under development. For example, Umoja could not produce a report on systems contracts and did not capture the whole end-to-end process, including in particular the solicitation phase, and the solicitation schedule was not tracked automatically.

Management of human resources

The Board noted that while peacekeeping operations frequently deployed consultants and individual contractors, compliance with the relevant rules and regulations needed to be enhanced. In particular, work assignments requiring consultants or individual contractors had to be described in greater detail, and the duration of such assignments had to be appraised more realistically. To avoid unnecessary costs, missions should, in the first instance, examine whether staff could carry out the required functions.

Temporary duty assignments may be used to provide the receiving mission with highly qualified and experienced staff to meet urgent support requirements at the start-up, expansion, liquidation or other limited periods for activities requiring urgent, time-bound, temporary surge capacity. The Board observed cases in which the justification for temporary duty assignments was not convincing. Furthermore, monitoring such assignments is challenging for the Administration because staff sent to missions on temporary assignments are considered to be on official travel, which makes it difficult to have complete data on them. The Administration did not have complete information on staff working under temporary duty assignments and the associated costs. The Board is aware that the Administration has already analysed temporary duty assignments at missions in East and Central Africa.

Medical services

The Board noted that not all of the medical units deployed at missions by troop-contributing countries met medical service requirements. This was due to a lack of drugs and consumables or to a lack of experienced personnel, especially those with knowledge about endemic diseases, or of doctors.

Furthermore, the Board remarked that at some missions, the delivery of medical supplies was delayed and drugs and vaccines were held past their shelf lives.

Environmental management and waste management

The Board noted that at five missions, the post of Environmental Officer was vacant. In addition, the environmental action plans of some missions were missing, had not been updated or had not received final approval from management.

Furthermore, the Board observed weaknesses in terms of wastewater treatment, lack of use of solar panels, the idling of cars and the use of vehicles instead of a bus shuttle. The waste management practices of some missions were inadequate.

Recommendations

The main recommendations are that the Administration:

Financial reporting

(a) **Provide the census data required for the actuarial valuation of the employee benefits liabilities to the external actuary early enough to allow for a thorough review;**

(b) **Implement an internal control to ensure that the actuarial valuation of the employee benefits liabilities does not contain material errors;**

(c) **Work towards the phasing-out of the standard cost methodology and towards the recognition of the actual associated costs of acquired items of property, plant and equipment that qualify for recognition as assets;**

(d) **Work towards the recognition of the actual costs of self-constructed items of property, plant and equipment that qualify for recognition as assets;**

(e) **Review the useful lives of fully depreciated assets that are still in use;**

Department of Peacekeeping Operations workplans

(f) **Develop a common workplan structure for its offices, divisions, sections and units so as to be able to link each of their planned outputs to the compacts of the Under-Secretary-General, the Assistant Secretaries-General and the Military Adviser;**

Welfare

(g) **Ensure the preparation of annual financial reports of welfare and recreation committees;**

Asset and property management

(h) **Assess the newly created property management performance index as a results-based-budgeting indicator with regard to the quality of data, in particular before and during the decommissioning of the Galileo inventory system;**

(i) **Have missions strengthen their inventory management so that all items are well arranged according to identity and kept in their registered locations;**

Air operations

(j) **Realign the strategic air operations objectives so that the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre are able to revise their standard operating procedures, key performance indicators, workplans and job descriptions;**

Acquisition planning and procurement management

(k) Establish a procedure that allows for the evaluation and analysis of mission requirements, the development of a global acquisition plan and, on that basis, the development a procurement strategy;

(l) Enhance the monitoring of the procurement sections of missions, in particular with regard to their organization, the engagement of new procurement staff and the completion of training;

(m) Track and monitor procurement procedures, covering the relevant steps;

Management of human resources

(n) Support missions in determining whether the engagement of external consultants/individual contractors is actually needed or whether the relevant expertise/capacity is available within the Organization. In the event that in-house capacity cannot carry out core functions, the Administration and missions need to develop and implement a strategy for a long-term solution;

(o) Continue its efforts to monitor the use of temporary duty assignments received and released from/to Headquarters and missions and compile all relevant data, including the associated costs;

Medical services

(p) Remind missions to store vaccines and other cold-chain products as required at all times;

Environmental management and waste management

(q) Request missions to comply with departments' environmental management and waste management rules and to report regularly on the status of environmental and waste management issues.

Key facts	
15	Number of active peacekeeping missions
115	Number of troop-contributing countries
86	Number of police-contributing countries
1,772	Number of United Nations Volunteers in peacekeeping missions
13,059	Number of police personnel engaged in peacekeeping missions
17,350	Number of civilian staff in peacekeeping missions
89,002	Number of military personnel engaged in peacekeeping missions

$5.31 billion	Assets
$4.55 billion	Liabilities
$0.76 billion	Net assets
$8.73 billion	Revenue, including assessed contributions of $8.28 billion
$8.30 billion	Approved budget for peacekeeping
$8.02 billion	Expenditure on peacekeeping operations (budget basis)
$0.28 billion	Unutilized budget

A. Mandate, scope and methodology

1. The Board of Auditors audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2015 to 30 June 2016 in accordance with General Assembly resolution 74 (1) of 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing.

2. The financial statements of the United Nations peacekeeping operations for the year ended 30 June 2016 are the third set of statements prepared after the adoption of IPSAS. The audit was conducted primarily to enable us to form an opinion as to whether the financial statements fairly presented the financial position of the United Nations peacekeeping operations as at 30 June 2016 and whether the financial performance and cash flows for the year then ended were in accordance with IPSAS. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether the revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and an examination of the accounting records and other supporting evidence to the extent considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its audit coverage at peacekeeping headquarters, the 15 active field missions, the 31 closed missions and the five special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB, including the Global Service Centre, the peacekeeping cost recovery fund and the employee benefits funds, as detailed in annex I to the present report.

4. In addition to the audit of the accounts and the financial statements, the Board carried out reviews of peacekeeping operations under financial regulation 7.5, which allows the Board to make observations with respect to the efficiency of financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations.

5. The Board continued to report the results of audits to the Administration through management letters. The Board issued 17 management letters during the period under review.

6. The Board coordinated with OIOS in order to avoid unnecessary duplication and determine the extent to which the Board could rely on the work of OIOS.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were communicated to the Administration, and their views have been appropriately reflected in the report.

B. Main findings and recommendations

1. Follow-up of previous recommendations of the Board

8. The follow-up of the recommendations made by the Board during the previous three years is shown below.

Table II.1
Status of implementation of recommendations

Year	*Total*	*Fully implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
2012/13	49	46	3	–	–
2013/14	63	55	3	–	5
2014/15	31	15[a]	10	1	5

Source: Reports of the Board of Auditors on United Nations peacekeeping operations.
Note: Figures represent the status of implementation of recommendations at the time of finalization of the report for the following year.
[a] Includes 1 recommendation that is reiterated in the present report.

9. Of the 31 recommendations made by the Board in 2014/15, the Board has determined that 15 (49 per cent) have been implemented, 10 (32 per cent) are under implementation, 1 (3 per cent) has not been implemented and 5 (16 per cent) have been overtaken by events. Of the 15 recommendations shown as implemented, 1 has been reiterated in the present report and therefore was regarded as having been implemented in the previous report. Over the past three financial years (2012/13-2014/15), 116 (81 per cent) of a total of 143 recommendations have been implemented, 10 (7 per cent) have been overtaken by events and 17 (12 per cent) are still under implementation or have not yet been implemented. The details regarding the implementation of previous recommendations are set out in annex II.

10. Recommendations often require action to ensure compliance and, in some cases, may require a longer time for implementation. In that context, the Board recalls that the General Assembly, in its resolution 69/249 B, requested the Secretary-General to ensure the full implementation of the recommendations of the Board in a prompt and timely manner and to provide a full explanation for the delays in the implementation of all outstanding recommendations of the Board.

2. Financial overview

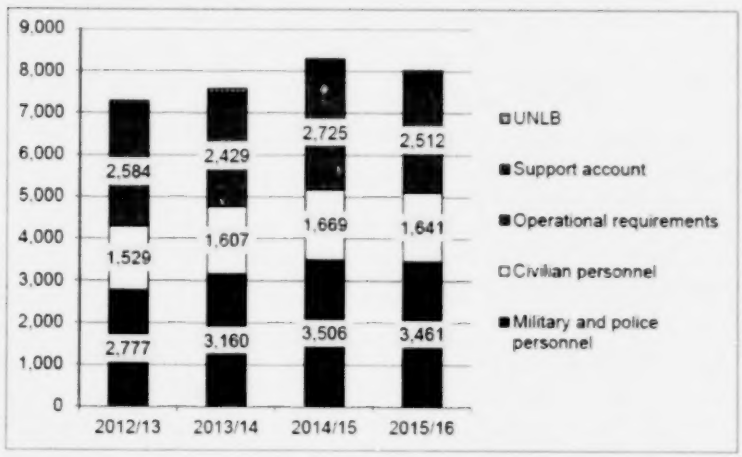
11. The approved peacekeeping budget for the financial year 2015/16 was $8.30 billion, representing a decrease of 3.2 per cent compared with the previous year's budget of $8.57 billion. Expenditure decreased by 3.4 per cent in 2015/16 to $8.02 billion from $8.30 billion in 2014/15. An amount of $0.28 billion was unutilized in 2015/16, compared with $0.27 billion in 2014/15.

Trend of expenditure

12. The trend of expenditure is depicted in the figure below. The details of the expenditure incurred under the three budget groups, UNLB and the support account during the four years ended 30 June 2016 are shown in table II.2.

Trend of expenditure

(Millions of United States dollars)



Source: Financial statements of peacekeeping operations.

Table II.2
Expenditure of peacekeeping operations, by group

(Millions of United States dollars)

Group	*2012/13*	*2013/14*	*2014/15*	*2015/16*
Military and police personnel	2 777.1	3 160.0	3 506.2	3 461.3
Civilian personnel	1 528.7	1 606.9	1 669.4	1 640.8
Operational requirements	2 583.5	2 429.0	2 724.7	2 512.3
Support account	329.7	315.0	324.2	335.9
UNLB	68.6	68.9	66.5	67.1
Voluntary contributions in kind	5.6	4.9	4.3	2.8
Total	**7 293.2**	**7 584.7**	**8 295.3**	**8 020.2**

Source: Financial statements of peacekeeping operations.

Financial position

13. The financial position of peacekeeping operations continues to be sound, with sufficient cash resources to sustain core operations. Current assets are 1.17 times current liabilities and total assets are 1.17 times total liabilities, as shown in table II.3. The increasing trend of the current ratio, quick ratio and cash ratio over four years indicates improvement in liquidity. However, the total-assets-to-total-liabilities ratio shows a decreasing trend over the past four years, indicating a slightly decreasing ability to meet overall obligations. One reason for that is the increase in employee benefits liabilities in recent years.

Table II.3
Capital structure ratios

Ratios	*30 June 2016*	*30 June 2015*	*30 June 2014*	*1 July 2013*
Assets-to-liabilities ratio[a]	1.17	1.21	1.25	1.33
Total assets: total liabilities				
Current ratio[b]	1.17	1.09	0.97	0.97
Current assets: current liabilities				
Quick ratio[c]	1.04	0.96	0.80	0.79
Cash + short-term investments + accounts receivable: current liabilities				
Cash ratio[d]	0.60	0.56	0.51	0.41
Cash + short-term investments: current liabilities				

Source: Financial statements of peacekeeping operations.

[a] A high ratio indicates an entity's ability to meet its overall obligations.

[b] A high ratio indicates an entity's ability to pay off its current liabilities.

[c] The quick ratio is more conservative than the current ratio, because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

[d] The cash ratio is an indicator of an entity's liquidity; it measures the amount of cash, cash equivalents or invested funds that are in current assets to cover current liabilities.

14. As shown in table II.4, the accumulated depreciation exceeds half of the historical cost of property, plant and equipment. Although the depreciation ratio shows a declining trend over the past three years, investments in property, plant and equipment have not yet reversed the rising trend in the total depreciation ratio. This generally indicates an increasingly worn-out condition of assets. However, it must be seen against the background of the large number of fully depreciated assets still in use (see table II.5). These assets may lower the ratio because their useful lives were estimated too short, not because they are worn out. Misestimating the useful lives of assets distorts the ratios and may lead to the wrong conclusion that property, plant and equipment are not being replaced in time.

Table II.4
Asset ratios
(Percentage)

Ratios	*30 June 2016*	*30 June 2015*	*30 June 2014*	*1 July 2013*
Depreciation ratio[a]	7.48	7.98	8.43	
Depreciation: cost of property, plant and equipment at the beginning of the financial year				
Investment ratio[b]	10.81	11.31	7.99	
Additions: cost of property, plant and equipment at the beginning of the financial year				
Net investment ratio[b]	6.41	5.36	7.05	
Additions/disposals: cost of property, plant and equipment at the beginning of the financial year				
Total depreciation ratio[c]	53.34	53.20	52.18	48.47
Accumulated depreciation: cost of property, plant and equipment at financial year-end				

Source: Financial statements of peacekeeping operations.

[a] A high ratio indicates low useful lives of assets; distorted by fully depreciated assets in use.

[b] The ratios provide information about investment volume; net investment ratio accounts for asset disposals at historical cost.

[c] A high ratio indicates worn-out assets; distorted by misestimating the useful lives of assets.

3. Financial reporting

15. The Board noted that the Administration had strengthened the systems and processes for the preparation of the financial statements of peacekeeping operations. Funds managed at Headquarters had been moved from the legacy financial reporting system to Umoja, and the implementation of the SAP Business Planning and Consolidation software in the financial year 2015/16 had greatly facilitated the preparation of the consolidated financial statements.

16. However, there remained room for further improvement. For example, the Board's analysis led to the discovery of an error in the actuarial valuation of the employee benefits liabilities that led to an understatement of those liabilities by $440.1 million. This was rectified by the Administration as a result of the Board's audit, which gave rise to two revisions and recertifications of the current year's financial statements. The Administration thus needs to continue its efforts to strengthen IPSAS-based accounting processes and to train staff members at missions for that purpose. Further details are provided below.

Actuarial valuation of employee benefits liabilities

17. In the financial statements submitted to the Board on 30 September 2016, employee benefits liabilities showed a significant decrease; they were valued at

$1,304.4 million, compared with $1,606.4 million in 2014/15. The value of the employee benefits liabilities is determined largely by the value of the liability for after-service health insurance, which is part of the employee benefits liabilities. In the transmitted financial statements, the after-service health insurance liability had decreased by $319.3 million, from $1,192.3 million in 2014/15 to $873.0 million in 2015/16. The Administration attributed that decrease to an increase in the discount rate used for the actuarial valuation. The Board noted that the discount rate used in the initial valuation of the after-service health insurance liability had increased by only 0.02 per cent, from 3.74 per cent to 3.76 per cent. At the same time, the sensitivity analysis included in the initial valuation specified that even an increase of 1.00 per cent in the discount rate would have resulted in a decrease of only $92.8 million in the after-service health insurance liability. Thus, the Board concluded that the actuarial valuation contained discrepancies.

18. The Board noted that the actuarial valuation of the employee benefits liabilities in total, pertaining not only to after-service health insurance, but also to repatriation grants and annual leave, had been erroneous. Essentially, all retirees from field missions had been omitted from the valuation. Moreover, the external actuary had made technical mistakes concerning the financial assumptions. Thus, the valuation had had to be revised three times by the external actuary during the Board's audit. In the final valuation, the employee benefits liabilities had been valued at $1,744.5 million. Compared with the initial valuation, the liability had increased by $440.1 million. In that context, the financial statements had had to be revised, recertified and resubmitted by the Controller as at 22 and 30 November 2016 as a result of the Board's audit.

19. While part of the responsibility lay with the external actuary, the Administration sent the actuary the census data for the actuarial valuation late, on 30 September 2016, the same day that the financial statements had to be transmitted to the Board. Therefore, there was initially very limited time for review of the valuation by both the external actuary and the Administration. With regard to the conspicuous result of the initial actuarial valuation, the error could nevertheless have been detected by the Administration by checking the changes in the actuarial parameters and in the population against the movement in the liability.

20. **The Board recommends that the Department of Management provide the census data required for the actuarial valuation of the employee benefits liabilities to the external actuary in a timely manner so as to allow for a thorough review.**

21. **The Board recommends that the Department of Management implement internal control procedures to ensure that the actuarial valuation of the employee benefits liabilities is reviewed with a view to detecting and avoiding material errors which it may contain.**

22. The Department of Management accepted the recommendation and stated that it recognized the need to improve coordination between the actuary and the United Nations entities, in particular, regarding the delivery of census data.

Standard costing of property, plant and equipment

23. In the determination of the cost of an asset, associated costs such as freight, import duties, insurance and other costs often account for a substantial part of the asset's cost. Currently, associated costs of acquired items of property, plant and equipment are determined by applying a standard cost percentage to the cost of the acquired asset. The peacekeeping operations use 20 per cent in applying the standard methodology for determining associated costs. In the financial year 2015/16, property, plant and equipment costs of $238.5 million, including standardized associated costs of $39.8 million, were recognized as additions in Galileo for the missions, strategic deployment stocks and the United Nations reserve.

24. The United Nations corporate guidance for IPSAS on property, plant and equipment (excluding infrastructure assets) issued by the Administration states, in its section 6.1.1, that actual associated costs need to be captured in order to support the applied standard cost percentage which is reviewed on a yearly basis. However, under the conditions in which the Umoja rollout is still under way at field missions and Galileo continues to be used as a system of record for IPSAS accounting and reporting on property, plant and equipment and inventory, the Administration continues to operate under transitional measures whereby the used standard cost percentage is not updated yearly and actual associated costs are not captured.

25. According to IPSAS 17: Property, plant and equipment, an item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost. The actual associated costs are an element of cost and need to be captured and recognized for each asset. Indeed, IPSAS 17 sets out transitional provisions regarding the recognition of property, plant and equipment for reporting periods beginning on a date within five years following the date of first adoption of accrual accounting in accordance with IPSAS. The financial statements of the United Nations peacekeeping operations as at 30 June 2014 were the first to be prepared in accordance with IPSAS, and therefore the Administration has until the financial year 2018/19 to institute the procedural amendments.

26. The main reason for the Administration to adopt the standard cost approach for valuation as a transitional measure was the lack of tools and systems that supported valuation based on actual associated costs and, more specifically, their allocation to each individual asset. This continues to be the case at present: while the associated costs are recorded in Umoja, there is no functionality for assigning such costs to individual assets during asset recognition. The Board emphasizes the need to make such a functionality available with the decommissioning of Galileo and the migration of all mission asset data to Umoja.

27. **The Board recommends that the Department of Management and the Department of Field Support work towards the phasing-out of the standard cost methodology and towards the recognition of the actual associated costs of acquired items of property, plant and equipment that qualify for recognition as assets.**

28. For self-constructed buildings and infrastructure at peacekeeping operations, a standard cost approach based on depreciated replacement cost is applied on the basis of type of construction and location. The depreciated replacement cost

methodology was internally developed and is used at all missions, with costing data originating at MINUSTAH; it covers not only associated costs, but all costs. As a consequence, the recognized costs of self-constructed buildings and infrastructure at all missions are derived from costs originally measured at MINUSTAH. While escalation factors and location factors are used at each mission to adjust the costing data stemming from MINUSTAH, the costs recognized in that way can be only an estimate.

29. Self-constructed assets are already recognized in Umoja, and not in Galileo. However, numerous items utilized for their construction continue to be managed in Galileo. At present, that hinders the capture of actual costs for self-constructed assets. As is the case with the associated costs of acquired assets, the decommissioning of Galileo offers an opportunity to provide the required functionality in Umoja for recognizing actual costs of self-constructed assets. The Board emphasizes the need to make such a functionality available.

30. The Administration noted that the recognition of actual associated costs was also linked to the budget formulation functionality of Umoja Extension 2, which was aimed at improving the budgeting basis of acquisition by using the latest costs from Umoja. The Administration also stated that, in the course of the decommissioning of Galileo and the transition to Umoja, the successful implementation of the recommendations would depend on the availability of an Umoja functionality to support the valuation based on actual associated costs, the allocation of combined associated costs to each individual asset and the provision of adequate personnel capacity to support the full fixed asset management functions at missions.

31. **The Board recommends that the Department of Management and the Department of Field Support work towards the recognition of the actual costs of self-constructed items of property, plant and equipment that qualify for recognition as assets.**

32. The Administration concurred in principle with the thrust of the recommendations that the actual associated costs of acquired fixed assets and the actual costs of self-constructed assets be recognized.

33. However, the Administration believed that, at the comprehensive level with respect to peacekeeping operations, the standard cost methodology provided a competent estimate of the combined total of the actual costs of property, plant and equipment. The Umoja functionality for identifying actual associated costs and assigning them to each individual item of property, plant and equipment was not included in the scope of the implementation and/or subsequent enhancements of Umoja.

34. The Board reiterates the recommendations, because IPSAS require the recognition of the actual costs and no regular review of the applied standard cost methodology has been carried out to date.

Review of useful lives of assets

35. The Board reviewed the assets at various missions and noted instances of fully depreciated assets still in use, as shown in table II.5.

Table II.5
Details of fully depreciated assets still in use as at 30 June 2016

	Assets fully depreciated but still in use			*Total mission assets in use*
Mission	*Number*	*Capitalized cost (thousands of United States dollars)*	*Percentage of total mission assets in use*	*Capitalized cost (thousands of United States dollars)*
MINURSO	571	15 877	47.77	33 236
MINUSCA	485	14 414	10.72	134 519
MINUSMA	291	10 291	6.48	158 826
MINUSTAH	2 422	58 847	48.33	121 769
MONUSCO	4 495	120 777	43.73	276 166
Strategic deployment stocks	45	2 364	4.48	52 772
United Nations reserve	40	967	10.60	9 122
UNAMID	6 764	165 095	31.72	520 410
UNDOF	289	16 518	36.46	45 306
UNFICYP	418	9 410	59.79	15 738
UNIFIL	2 342	74 153	64.03	115 802
UNISFA	1 340	23 929	31.85	75 134
UNLB	1 146	35 648	46.43	76 782
UNMIK	217	5 673	59.79	9 489
UNMIL	1 418	35 715	45.90	77 815
UNMISS	3 459	74 701	29.55	252 776
UNOAU	80	1 502	81.15	1 851
UNOCI	1 726	39 185	42.99	91 144
UNSOS	641	29 997	12.69	236 383
Total	**28 189**	**735 063**	**31.89**	**2 305 040**

Source: Data provided by the Administration.

36. Overall, approximately 32 per cent of the assets in use at the missions are fully depreciated. Since the useful life of an asset usually extends over several years, the percentage of fully depreciated assets still in use generally increases with a mission's duration. For example, while the percentage is only 11 per cent at MINUSCA, which is the mission established most recently, in April 2014, it amounts to 60 per cent at UNFICYP, the longest-operating mission under the peacekeeping budget, established in March 1964.

37. For the purposes of IPSAS, the useful lives of assets are necessarily an approximation. Yet, the large share of fully depreciated assets in use, especially at longer-operating missions, indicates that the useful lives of assets should be updated. Altogether, it seems that the estimated useful lives of assets are too short, which leads to overstated depreciation expenses and understated carrying amounts of the assets. As a transitional measure, adjustments to accumulated depreciation

and property, plant and equipment are incorporated into the financial statements to reflect a residual value of 10 per cent of historical cost. As shown in table II.5, $73.5 million (10 per cent of $735 million) was added to the closing carrying amount of property, plant and equipment. Correspondingly, accumulated depreciation as at 30 June 2016 was manually decreased by the same amount.

38. However, IPSAS 17: Property, plant and equipment, in its paragraph 67, states that the useful life of an asset shall be reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IPSAS 3: Accounting policies, changes in accounting estimates and errors. The Board recommended in its previous reports (A/69/5 (Vol. II), chap. II, and A/70/5 (Vol. II), chap. II) that the Administration review the useful lives of assets. The Administration informed the Board that such a review would be conducted in 2015/16 when asset records in Galileo were migrated to Umoja. As the decommissioning of Galileo has been postponed until the financial year 2017/18, the Board emphasizes the need to incorporate the review of assets' useful lives into the planning of that decommissioning.

39. The Administration commented that it was mindful of the requirement of IPSAS that the useful lives of fixed assets be reviewed at least annually, and also that it was concerned at the rising proportion of fully depreciated assets in the three years since the implementation of IPSAS. Furthermore, the Administration stated that it remained committed to performing the review of fully depreciated assets and their useful lives once the Galileo system had been replaced with Umoja.

40. **The Board reiterates its recommendation that the Administration review the useful lives of fully depreciated assets that are still in use.**

Leading ledger carryforward and revaluation

41. During its audit of UNMISS, the Board found an error in the foreign exchange conversion of a petty cash account. The Mission's trial balance showed account balances of 2,620.00 South Sudanese pounds and $1,542.10, although the exchange rate as at 30 June 2016 was 40.21 South Sudanese pounds to 1 United States dollar. The balance in dollars should therefore have been $65.16. Currency conversion is performed in Umoja; thus, even such immaterial exchange rate differences can indicate systemic errors.

42. At the Headquarters level, the erroneous revaluation at one mission led to the discovery that the carryforward in Umoja's leading ledger for the year ended 31 December 2015 had not been performed when the revaluation as at 30 June 2016 had been carried out for the preparation of the financial statements of the peacekeeping operations as a whole. The leading ledger is used for Volume I financial statements, and the non-leading ledger is used for Volume II financial statements. The missed carryforward in Umoja's leading ledger created a mismatch in some general ledger accounts between the leading and the non-leading ledger. In other words, certain general ledger accounts in Umoja's leading ledger were showing incorrect balances as at 30 June 2016 owing to the missed carryforward for the year ended 31 December 2015. The revaluations arising from the foreign exchange rate conversion are computed on the basis of the leading ledger. In short, the leading ledger has an impact on the non-leading ledger. By mere chance, the

missed carryforward in the leading ledger led only to immaterial misstatements in the financial statements of the peacekeeping operations. Therefore, it is essential that the carryforward in the leading ledger be performed before the revaluation as at 30 June, in a given year, is carried out for the financial statements of the peacekeeping operations.

43. The Administration stated that the closing of the Volume I leading ledger at 31 December 2015 had been a first-time experience with respect to the carryforward action and that in hindsight, the Administration had unnecessarily delayed the carryforward action. The Administration noted that the carryforward could be executed as early as one day after year-end — that is, on 1 January — and multiple times thereafter also, if necessary. The Administration stated that it would ensure that the carryforward was executed in the leading ledger as soon as the Volume I accounts had been finalized or, at the latest, by 1 April 2017.

44. **The Board recommends that the Administration implement an internal control to ensure that the carryforward in Umoja's leading ledger is duly performed before the preparation of the financial statements of the peacekeeping operations.**

Long-outstanding accounts receivable from United Nations related party entities

45. According to the United Nations policy framework for IPSAS (ST/IC/2013/36), peacekeeping operations create allowances of 25 per cent for other receivables outstanding longer than 12 months, 60 per cent for other receivables outstanding longer than 24 months and 100 per cent for other receivables outstanding longer than 36 months. Provisioning includes the specific identification of accounts receivable subject to allowance provisions, after which the general allowance based on ageing is applied.

46. Other receivables comprise receivables from United Nations related party entities that result from inter-agency transactions. Allowances for doubtful accounts are also created for those inter-agency accounts receivable. Long-outstanding inter-agency accounts receivable, summarized in table II.6, are shown in the statement of financial position as at 30 June 2016.

Table II.6
Long-outstanding inter-agency accounts receivable

(In United States dollars)

Mission	*Outstanding between 12 and 24 months*	*Outstanding between 24 and 36 months*	*Outstanding longer than 36 months*	*Total long-outstanding*
MINURSO	9 489.00	21 655.48	0.00	31 144.48
MINUSCA	0.00	83 240.35	0.00	83 240.35
MINUSMA	4 448.43	3 240.00	0.00	7 688.43
MINUSTAH	121 478.00	958 189.15	0.00	1 079 667.15
MONUSCO	278 019.31	220 298.41	650 892.42	1 149 210.14
UNAMID	35 949.50	3 974.68	4 905.09	44 829.27
UNISFA	160 150.56	8 558.33	44 197.29	212 906.18

Mission	*Outstanding between 12 and 24 months*	*Outstanding between 24 and 36 months*	*Outstanding longer than 36 months*	*Total long-outstanding*
UNMISS	1 335 116.69	808 270.42	5 346.00	2 148 733.11
UNOCI	42 541.03	54 531.69	1 041.94	98 114.66
UNSOA	33 479.61	34 336.66	0.00	67 816.27
Total	**2 020 672.13**	**2 196 295.17**	**706 382.74**	**4 923 350.04**
Allowance	**505 168.03**	**1 317 777.10**	**706 382.74**	**2 529 327.87**

Source: Data provided by the Administration.

Note: If a receivable is outstanding for longer than 24 months or 36 months, it is not included in the previous figures. In other words, each column is not a subset of the following one. This is to prevent the calculation of multiple allowances for the same receivable.

47. In total, $4.9 million in inter-agency receivables were outstanding longer than 12 months as at 30 June 2016. For those receivables, allowances totalling $2.5 million were created. The creation of allowances for doubtful accounts leads to expenses in the statement of financial performance and reduced receivables in the statement of financial position. The expenses can be avoided through swift settlement of the receivables from United Nations related party entities. Swift settlement is also desirable to avoid distortions in the allocation of funds stemming from different budgets in the United Nations system.

48. **The Board recommends that the Department of Management and the Department of Field Support settle receivables from United Nations related party entities within 12 months.**

49. The Department of Field Support concurred with the recommendation and indicated that the missions were making efforts to close all long-outstanding receivables before the end of the financial year 2016/17 by following up with the agencies in question. The Department noted that a number of the long-outstanding inter-agency receivables had arisen out of difficulties experienced by the agencies in obtaining funding for reimbursement, since a number of them were reliant on donors.

Cut-off regarding travel expenses

50. During the financial year 2015/16, Umoja cluster 4, including the travel module for international staff, was launched for the peacekeeping operations. The travel of international staff is now handled directly in Umoja. During the audit of UNIFIL, the Board found that travel expenses pertaining to the financial year 2016/17 had been charged in the financial year 2015/16. This erroneous cut-off had resulted in an overstatement of expenses in 2015/16 and an understatement of advances as at 30 June 2016. The Mission remarked that this was an Umoja system-wide issue and that it had been escalated to the officials concerned at Headquarters. The Peacekeeping Financing Division stated that the erroneous cut-off was a known financial statements issue and that the Accounts Division was aware of it and would be making the necessary entries along with other travel accruals. However, during the financial audit at Headquarters, it emerged that the Accounts Division was not aware of the issue and that the necessary entries had not been made.

51. The Administration expressed regret that the manual adjustment had not been undertaken for the 2015/16 financial statements. The Administration stated that it would ensure that the proper adjustment would be made going forward. The year-end closing instructions and checklist for the financial year 2016/17 would be revised with a view to greater comprehensiveness and in consultation with all related offices.

52. **The Board recommends that the Administration strengthen internal communication to ensure that errors having an impact on the financial statements are communicated to the Accounts Division.**

Estimation and monitoring of group 1 and group 2 commitments

53. The Board assessed the estimation and monitoring of group 1 and group 2 commitments[1] of missions serviced by the Regional Service Centre in Entebbe.

54. Accruals for group 1 commitments posted on 30 June of a financial year are reversed on 1 July of the following financial year, resulting in credit balances on the expense accounts concerned at the beginning of the following financial year. Then, during the financial year, invoices relating to the accruals are posted to the expense accounts, reducing the credit balance arising from the accrual reversal. Irrespective of the accrual reversal and the postings relating to the previous financial year, regular expense postings relating to the ongoing financial year also appear on the general ledger expense accounts. If the group 1 commitments have been estimated perfectly, the ending balance on the general ledger expense accounts should present only the expenses incurred in the ongoing financial year. In essence, the accrual postings for group 1 commitments ensure proper cut-off.

55. Presently, there is no comprehensive accrual monitoring mechanism in place to ensure that accrued expenses are settled or liquidated in the subsequent period and that estimated amounts accrued are as accurate as possible. During the audit of UNAMID, the Board found that the estimated amounts accrued during the financial year 2014/15 were so high that general ledger expense accounts remained with a credit balance in the financial year 2015/16. This means that, even including expenses incurred in the financial year 2015/16, expense postings did not add up to the estimated amounts accrued for financial year 2014/15. Such easily traceable examples show that the estimations for the group 1 commitments are sometimes erroneous and can be further improved.

56. During the financial audit of MINUSMA, the Board checked a sample of group 1 commitments. In response to the Board's request for supporting documents, three group 1 commitment items of the sample were reclassified as group 2 commitments. It became apparent that items amounting to $3.09 million had been erroneously posted as group 1 commitments.

[1] Group 1 commitments: expenses accrued for purchase orders and funds commitments representing the goods and services delivered by 30 June of a financial year where no invoice has been received or processed. Expenses under IPSAS.
Group 2 commitments: compiled for purchase orders and funds commitments for goods and services to be delivered after 30 June of a financial year where certain criteria are met, e.g. expected delivery within a reasonable period of time. No expenses under IPSAS.

57. As is the case with group 1 commitments, there is currently no comprehensive monitoring mechanism in place to ensure that group 2 commitments are settled or liquidated in the subsequent period and that estimated amounts are as accurate as possible, especially if the committed items were delivered within a reasonable period of time. While no postings to the general ledger result from group 2 commitments, they constitute expenditures in the budget.

58. **The Board recommends that the missions, in collaboration with the Regional Service Centre in Entebbe, implement within the financial year 2016/17 a comprehensive monitoring mechanism for group 1 and group 2 commitments to further improve accountability, to ensure that the commitments are settled or liquidated in the subsequent period and that estimated amounts are as accurate as possible. Regarding group 2 commitments, this would comprise the monitoring of the delivery of committed items within a reasonable period of time.**

59. The Administration agreed with the recommendation. The Department of Field Support noted that comprehensive directions were provided in the closing instructions by the Department of Management on the grouping and monitoring of commitments. The Department of Field Support also commented that the missions and the Regional Service Centre in Entebbe could access the necessary reports for monitoring purposes.

4. Budget formulation and management

60. The Board had stressed in its previous reports that the Administration should review the identified weaknesses in budget formulation and develop improved principles and methodologies to assist the missions in formulating realistic, consistent and reliable budgets. In its previous report (A/70/5 (Vol. II), chap. II), the Board had highlighted large variances between appropriations and expenditure, redeployments between different classes of expenditure beyond what could be justified by operational requirements and unrealistic assumptions used for budget projections that undermined the utility of the budget as an instrument of expenditure control. The Secretary-General, in his report on the implementation of the recommendations of the Board (A/70/724), had stated that budgets were based on the best available information at the time of their preparation, well in advance of the budget implementation period, that it was normal for variances to occur between the approved budget and its actual implementation and that redeployments between groups and classes of expenditure were an essential feature of allotment management to provide missions with the required flexibility to deliver on their mandates. In its resolution 70/238 C, the General Assembly had expressed concern about the continued weaknesses in the area of budget formulation and implementation and requested the Secretary-General to continue his efforts to address those weaknesses.

Variances between appropriation and expenditure

61. Peacekeeping operations incurred expenditure of $8.02 billion against the approved budget of $8.30 billion, resulting in underexpenditure of $0.28 billion (3.38 per cent). The underexpenditure varied between 0.01 and 11.52 per cent at the 15 missions. The overall variances between appropriation and expenditure are summarized in table II.7.

Table II.7
Variations between appropriation and expenditure

(Thousands of United States dollars)

	Appropriation				*Variance compared with revised distribution*	
Expenditure group	*Original distribution*	*Redeployment*	*Revised distribution*	*Total expenditure*	*Amount*	*Percentage*
Military and police personnel	3 518 761	62 968	3 581 729	3 461 333	(120 396)	(3.36)
Civilian personnel	1 678 893	10 204	1 689 097	1 640 760	(48 337)	(2.86)
Operational requirements	2 695 208	(73 172)	2 622 036	2 512 266	(109 770)	(4.19)
Consultants	7 980	9 417	17 397	14 586	(2 811)	(16.16)
Official travel	43 512	11 104	54 616	51 514	(3 102)	(5.68)
Facilities and infrastructure	793 596	(41 956)	751 640	716 875	(34 765)	(4.63)
Ground transportation	200 192	(20 794)	179 398	168 575	(10 823)	(6.03)
Air transportation	821 007	(75 152)	745 855	720 176	(25 679)	(3.44)
Naval transportation	41 732	16 924	58 656	57 773	(883)	(1.51)
Communications	164 534	(23 019)	141 515	129 898	(11 617)	(8.21)
Information technology	130 886	38 051	168 937	162 911	(6 026)	(3.57)
Medical	47 072	(12 353)	34 719	30 358	(4 361)	(12.56)
Other supplies, services and equipment	420 283	24 606	444 889	435 437	(9 452)	(2.12)
Quick-impact projects	24 414	-	24 414	24 163	(251)	(0.09)
UNLB	67 157	N/A	67 157	67 099	(58)	(0.09)
Support account	336 496	N/A	336 496	335 885	(611)	(0.18)
Voluntary contributions in kind (budgeted)	4 632	N/A	4 632	2 833	(1 800)	(38.85)
Total	**8 301 148**		**8 301 148**	**8 020 176**	**(280 972)**	**(3.38)**

Source: Financial statements of peacekeeping operations.

62. On an aggregate level, underexpenditure in the three groups of expenditure (military and police personnel costs, civilian personnel costs and operational requirements) ranges from $48.3 million to $120.4 million. Table II.8 shows variances of 5 per cent or more at the mission level. Regarding operational requirements, underexpenditure of 5 per cent or more on an overall basis occurred in the expenditure classes of consultants (16.16 per cent), official travel (5.68 per

cent), ground transportation (6.03 per cent), communications (8.21 per cent) and medical (12.56 per cent). However, it is important to note that the variances are calculated against the revised distribution after redeployments. Redeployments are discussed in the following section.

Table II.8
Underspending of 5 per cent or more between appropriation and expenditure

	Missions with variations of 5 per cent or more between appropriation and expenditure	
Expenditure group	*2015/16*	*2014/15*
Total expenditure	UNFICYP, UNMIL, UNOCI, MINUSTAH, UNAMID	UNFICYP, UNMIK, UNOCI, MINUSTAH, UNAMID, UNMISS
Military and police personnel	UNFICYP, UNIFIL, UNMIK, UNMIL, UNOCI, UNISFA, UNMISS	MINURSO, UNMIK, UNMISS
Civilian personnel	UNOCI, MINUSTAH, UNAMID	UNFICYP, MINURSO, UNMIK, UNOCI, MINUSTAH
Operational requirements	UNFICYP, UNDOF, UNMIL, UNOCI, MINUSTAH, UNAMID, MINUSCA	UNFICYP, UNMIL, UNOCI, MINUSTAH, UNAMID, UNISFA

Source: Financial statements of peacekeeping operations.

63. Underspending of 5 per cent or more between appropriation and expenditure occurs in missions of diverse size and term. Further details regarding the mission level are provided in annex III to the present report and annex II to the financial statements. The total underspending of $281.0 million originates mostly at UNMIL ($31.4 million), UNOCI ($48.7 million), MINUSTAH ($25.4 million), UNAMID ($58.1 million) and UNMISS ($46.0 million).

64. Upon further analysis of the tables, it can be highlighted that underspending of $120.4 million for military and police personnel is attributable mainly to UNIFIL ($20.2 million), UNMIL ($22.0 million), UNOCI ($23.2 million) and UNMISS ($40.3 million). Underspending of $48.3 million for civilian personnel stems primarily from MINUSTAH ($10.5 million) and UNAMID ($23.2 million). With regard to operational requirements, the aggregated underspending amounts to $109.8 million and arises mostly from UNOCI ($21.1 million), MINUSTAH ($14.9 million), UNAMID ($34.8 million) and MINUSCA ($13.3 million).

65. Overspending of 5 per cent or more did not appear in any expenditure group in either the financial year 2015/16 or the financial year 2014/15.

66. Taking into account the variations between budget and expenditure, the amounts of total underexpenditure, the underexpenditure in the three groups and previous-year figures, it could be concluded that UNOCI, MINUSTAH, UNAMID and UNMISS offer the most room for improvement. However, as indicated above, it should be noted that all variances are calculated against the revised distributions.

Therefore, the variances are analysed in conjunction with the redeployments in the following section.

Redeployments

67. The Board had observed in its previous report that redeployments were being routinely carried out, and had recommended that redeployments be permitted only with full justification. The total amount of redeployment for the financial year 2015/16 was $291.93 million (3.5 per cent of the original budget). This is about the same level as in 2014/15, when redeployment amounted to $291.36 million (3.4 per cent of the original budget) and was marginally lower than the amount of $312.82 million (3.9 per cent of the original budget) in 2013/14.

68. Table II.9 shows the sums relating to redeployment at all active missions, UNLB and the support account for the three groups of expenditure and within the expenditure classes of operational requirements. Further details regarding the mission level are provided in annex III to the present report and annex II to the financial statements. Across all missions, funds were redeployed from operational requirements mainly to military and police personnel. However, the equally distributed number of increases and decreases indicates that there is no distinct trend. The detailed figures set out in annex III show that the redeployments between the groups are attributable primarily to UNSOS, MINUSMA and MINUSCA, which combined account for an increase of $66.813 million for military and police personnel and a decrease of $78.837 million for operational requirements. Those three missions are also those with the three highest total redeployments.

Table II.9
Redeployments

	Appropriation (thousands of United States dollars)			*Number of redeployments (out of 15 active missions)*	
Expenditure group	*Original distribution*	*Redeployment*	*Percentage*	*Increases*	*Decreases*
Military and police personnel	3 518 761	62 968	1.79	6	6
Civilian personnel	1 678 893	10 204	0.61	5	5
Operational requirements	2 695 208	(73 172)	(2.71)	6	7
Consultants	7 980	9 417	118.01	11	–
Official travel	43 512	11 104	25.52	12	1
Facilities and infrastructure	793 596	(41 956)	(5.29)	6	9
Ground transportation	200 192	(20 794)	(10.39)	3	9
Air transportation	821 007	(75 152)	(9.15)	4	9
Naval transportation	41 732	16 924	40.55	10	2
Communications	164 534	(23 019)	(13.99)	4	11
Information technology	130 886	38 051	29.07	13	2
Medical	47 072	(12 353)	(26.24)	4	8
Other supplies, services and equipment	420 283	24 606	5.85	11	4

Expenditure group	Appropriation (thousands of United States dollars)			Number of redeployments (out of 15 active missions)	
	Original distribution	Redeployment	Percentage	Increases	Decreases
Quick-impact projects	24 414	–	–	–	–
UNLB	67 157	425[a]	0.63		
Support account	336 496	4 559[a]	1.35		
Voluntary contributions in kind (budgeted)	4 633	–	–		
Total between groups in missions		**114 325**			
Total between groups and within operational requirements in missions	**8 301 148**[b]	**291 925**			

Source: Financial statements of peacekeeping operations.

[a] Total between groups and within operational requirements.

[b] Total original distribution.

69. Regarding the operational requirements group, some expenditure classes exhibit clear trends concerning redeployment. In the classes of consultants, official travel, naval transportation and information technology, the vast majority of missions increased the funding amounts through redeployment. With regard to consultants, the increase arose mostly from UNSOS, where $5.4 million was redeployed. With regard to the other three classes, redeployments were scattered throughout the missions. At the same time, table II.7 shows slight underspending against the revised distribution in all four mentioned classes. Notable cases are official travel at UNAMID, for which the appropriation was increased by $2.0 million while $1.2 million remained unspent at financial year-end, and information technology at MINUSCA, for which the appropriation was increased by $4.8 million while $4.6 million remained unspent at financial year-end. A trend of decreasing appropriation is visible in the classes of ground transportation, air transportation and communications. In total, redeployments decreased the original distribution in those three classes by $119.0 million. If the variation between appropriation and expenditure were calculated against the original distribution, underexpenditure would add up to $167.1 million for the three classes. Furthermore, underexpenditure against the original distributions amounts to $76.8 million for facilities and infrastructure, with a decreasing redeployment of $42.0 million.

70. From a comparison of the differences between budget and actual amounts set out in statement V and the redeployments per mission set out in annex III, it becomes apparent that the four large-scale missions with the least differences between budget and expenditure — MONUSCO, UNSOS, MINUSMA and MINUSCA — made the most use of redeployment. Correspondingly, the four missions with the greatest variances between budget and expenditure (UNOCI, MINUSTAH, UNAMID and UNMISS) made relatively little use of redeployment. One possible explanation is that redeployment facilitates expenditure of remaining funds.

71. The Administration stated that the main sources of variances between appropriation and expenditure beyond the control of missions included: (a) a change in the contractual prices for air assets that had resulted in lower costs in air operations; (b) delays and rejections of visas for newly recruited staff members by host Governments; (c) delays in obtaining customs clearances from host Governments; (d) adverse weather conditions and restrictions by host Governments, resulting in less utilization of budgeted flight hours; and (e) the dynamically changing environment, including rising security threats and changing operational requirements. The Administration stated that variances were inevitable between appropriations and expenditure when circumstances that had been unforeseeable at the time of budget formulation arose during budget implementation. The cost estimates take into consideration historical trends and all known factors at the time of budget formulation. These variances are reported to the General Assembly through budget performance reports, which become important reference documents during the formulation and review of subsequent budgets. Nevertheless, the Administration remains committed to improving budget formulation and management through refined costing requirements, realistic planning assumptions and improvements in budgetary control.

72. The Administration also stated that redeployments across groups and classes were an essential feature of allotment management to provide missions with the flexibility required to deliver on their mandates. Accordingly, the Administration is of the view that the redeployment of funds is not an indication of any deficiency in either financial monitoring or financial control, but instead shows that a mission is proactively meeting the shifting operational priorities in response to both internal and external factors. In accordance with established policy, missions were requested by the Office of Programme Planning, Budget and Accounts to justify redeployments against the original detailed budget appropriation, to provide information on the nature and extent of budgetary redeployments and to fully explain and justify actual variances. The Administration acknowledges that the proper management of funds is an important feature aimed at ensuring accountability in budget implementation in accordance with approved legislative mandates. The Administration stated that it would continue its stringent monitoring and review of fund redeployments within and between groups and, where necessary, would seek further clarification or justification from peacekeeping operations.

73. In addition, the Administration submitted information about variances between appropriation and expenditure and about redeployments for several missions. Moreover, it implemented a technical change in Umoja to enhance the oversight of travel and consultant expenditures in particular and to reduce related variances compared with approved appropriations. Overall, the Administration considers the recommendation on budget formulation and management to be under implementation, with targeted implementation to be undertaken in June 2017. In the light of the issues described above and in reports issued in previous years, the Board will continue to assess the improvements made in budget formulation and management. Therefore, the Board also considers its previous-year recommendation on budget formulation and management to be under implementation.

5. Department of Peacekeeping Operations workplans

74. The Department of Peacekeeping Operations provides political and executive direction to United Nations peacekeeping operations around the world in implementing the mandates of the Security Council. To that end, the Under-Secretary-General for Peacekeeping Operations, the Assistant Secretaries-General for Operations and for Rule of Law and Security Institutions and the Military Adviser for Peacekeeping Operations ensure that the objectives described in their compacts are reflected in the workplans and performance assessments of all Department staff. The Department defines workplans for its offices and sections and individual workplans for each staff member.

75. The Board noted that the Assistant Secretaries-General for Operations and for Rule of Law and Security Institutions and the Military Adviser for Peacekeeping Operations kept compacts derived from the compact of the Under-Secretary-General for Peacekeeping Operations in terms of their structure and content. They included objectives, expected accomplishments and performance measures and set out goals together with related actions and success criteria. The workplans of the three offices and their divisions, sections and units followed different approaches.

76. The Assistant Secretary-General for Operations defined the overall priorities for 2016 in a letter to the Under-Secretary-General for Peacekeeping Operations. The divisions of the Office of Operations worked out strategic outlooks, including key strategic objectives and benchmarks. The Office of Operations considers these documents to be workplans. The divisions of the Office of Rule of Law and Security Institutions developed different workplans, some of them very elaborate, including vision, background, methodology, monitoring and evaluation priorities, assumptions and risk management strategies as well as expected accomplishments, outputs, lead, deadlines and status. The Office of Military Affairs stated that, with the exception of the compact of the Assistant Secretary-General and the workplans for individual staff members, it did not draft specific workplans for the subordinate offices.

77. The Board noted that most of the workplans were only partially suited to monitoring whether the activities of the divisions, sections and units were completely appropriate for achieving the objectives set out in the compacts of the Under-Secretary-General, the Assistant Secretaries-General and the Military Adviser. The Board considers that restructuring the workplans and linking them to the compact of the Under-Secretary-General, the Assistant Secretaries-General and the Military Adviser would enhance the transparency of the efforts of the Department of Peacekeeping Operations to carry out peacekeeping mandates. The workplans could be used as a management tool supporting Department staff at all levels in working efficiently and in line with the requirements of their mandates.

78. The Department of Peacekeeping Operations stated that the development of a common workplan structure would help its divisions and offices to better clarify the link between the senior managers' compacts and unit workplans and make measurement of the expected accomplishments more objective and transparent. The Department would therefore work on the development of a common workplan template/structure for all of its divisions and offices, which could be applied across the Department in the context of the 2017/18 performance cycle. The preparation of a common template/structure would, however, depend on the completion of the

Under-Secretary-General's compact for 2017, which might be delayed owing to the transition to the new Secretary-General. The target date for the implementation of this recommendation was therefore the second quarter of 2017.

79. **The Board recommends that the Department of Peacekeeping Operations develop a common workplan structure for its offices, divisions, sections and units so as to be able to link each of their planned outputs to the compacts of the Under-Secretary-General, the Assistant Secretaries-General and the Military Adviser.**

80. The Department of Peacekeeping Operations fully concurred with the recommendation.

6. Welfare

81. In 2009, OIOS audited the staff welfare and counselling programmes at UNMIS. In its report of 16 September 2009, it recommended that the staff welfare and recreation committees prepare annual reports and financial statements on their activities and publish those reports to enhance accountability and transparency. Nonetheless, the Administration has not taken any action to date.

82. During its field visit to MINUSCA, the Board requested the Mission to provide it with the contract for the canteen at the logistics base in Bangui. Neither the Procurement Section nor the Contract Management Section could provide information on the contract. After a further request, MINUSCA informed the Board that the Mission's welfare and recreation committee was in charge of the contract. The contract included a clause that the contractor must make a monthly contribution of 2.5 per cent of the canteen's sales revenue to the Mission's welfare and recreation committee account. In addition, an airline and a travel agency occupied office space in the MINUSCA compound. The Board was informed that both companies paid a monthly fee of $100 each to the welfare and recreation committee account. MINUSCA could not provide any documentation relating to the contract with the airline. The United Nations-wide contract with the travel agency did not include such an agreement. Moreover, the bank account used by the welfare and recreation committee was set up under the name of MINUSCA. According to MINUSCA information circular No. 016/15, a MINUSCA Finance Section staff member holds the position of treasurer on the committee and manages the bank account. Purchases above certain thresholds are to be submitted to the Director of Mission Support for a decision. The information circular states that, in the event of the closure of the Mission, the amount deposited in the committee's bank account is to be returned to the United Nations.

83. Welfare and recreation activities are regulated by the Department of Peacekeeping Operations policy directive entitled "Welfare and recreation" of 30 April 2007 and the Department's standard operating procedure entitled "Welfare and recreation" of 30 April 2007. The standard operating procedure states, in paragraph 4.15, that all funds managed by welfare and recreation committees established in accordance with the standard operating procedure shall be managed in accordance with United Nations financial rules and regulations for mission budgets. It also states that the welfare and recreation committee will manage all activities relating to welfare or recreation activities set up in the mission, including the funds allocated for such activities. The head of mission shall be the Chair of the welfare

and recreation committee. The exact size and composition of the mission's welfare and recreation committee and its internal procedures will be determined by the head of mission. The head of mission is authorized to reject or remove any member of the committee in accordance with procedures established in the mission.

84. The Administration stated that the standard operating procedure entitled "Welfare and recreation" did not include a statement that all funds managed by welfare and recreation committees established in accordance with the standard operating procedure should be managed in accordance with United Nations financial rules and regulations for mission budgets. It also stated that the standard operating procedure was an administrative directive and did not deal with the financial reporting aspect of welfare and recreational funds. The Administration noted that it collected statistics regarding the number of welfare funds and their income and that it would consider the preparation of welfare committees' own financial reports. However, the Administration also stated that welfare and recreation committees were separate entities and that the power to require financial reports on the funds rested with the committees themselves. The Administration commented that it did not have the legal authority to require the committees to prepare annual financial reports.

85. The Board supports the recommendation of OIOS that welfare and recreation committees prepare their own annual reports and financial statements to enhance accountability and transparency. This would be in line with the Department of Peacekeeping Operations standard operating procedure under which all funds managed by welfare and recreation committees established in accordance with the standard operating procedure shall be managed in accordance with United Nations financial rules and regulations for mission budgets. At present, no comprehensive information on the funds, income and expenses of the welfare and recreation committees is available. Owing to the close relations between missions and the welfare committees, described above, and the influence that missions have on them, the Board is of the view that enhanced financial accountability on the part of the committees is desirable.

86. **The Board recommends that the Administration ensure the preparation of annual financial reports of welfare and recreation committees.**

7. Asset and property management

Property management performance framework and index

87. The efficient management of assets[2] is critical for the efficient and cost-effective delivery of services and the fulfilment of the mandate of any peacekeeping mission. In its previous reports, the Board had highlighted delays in the writing-off of assets and delays in the disposal of written-off assets, the prolonged retention of

[2] Assets comprise non-expendable and expendable property as well as land and buildings. Non-expendable property above the IPSAS threshold limit (as listed in para. 39 (a) of the notes to the financial statements) is recognized as property, plant and equipment in the financial statements. Non-expendable property below the threshold is expensed. However, strategic deployment stock equipment below the IPSAS capitalization threshold is included in inventory. Expendable property is expensed, except strategic reserves of fuel or specific commodities and United Nations reserves, which are included in the inventory.

items in stock without deployment and deficiencies in physical verification. The Board had recommended the strengthening of asset management procedures, the judicious deployment of assets and the timely disposal of equipment no longer in use. As in recent years, the Board continued to note weaknesses in mission property management. It found examples of non-conformity and discussed with the missions cases of delays in the write-off of assets, the overstocking of assets, misallocation and discrepancies in expendable property inventory, high inventory levels and assets that had exceeded their life expectancy. Examples are described in the paragraphs below. The Administration outlined the efforts being made to improve asset management.

88. Since the completion of the global field support strategy process to transform the delivery of support services to missions, the Department of Field Support has focused on mainstreaming and enhancing field support solutions. Property management, as an integral part of supply chain management, should help to ensure the efficient and effective utilization of physical resources globally through economies of scale, the reduction of waste, inventory analysis, performance management and improved accountability with respect to property.

89. In 2016, the Department of Field Support commenced a phased transition to the end-to-end supply chain management solution aimed at developing a blueprint based on the supply chain operations reference model that brings together performance measures, processes, best practices and people in a cohesive and unified structure.

90. The Board noted that the Administration had made progress in the area of supervision. In particular, the Administration had issued a directive on property management, analysed missions' property management performance in performance reports and decided to include a newly created property management performance index in the missions' results-based budgets. According to its property management workplan for the financial year 2015/16, the Department of Field Support planned to assess and monitor the changes introduced in the set of key performance indicators. This was done taking into account the results of the analysis of property management trends and the observations and recommendations of oversight and review bodies concerning management practices and procedures for the control of and accountability with respect to United Nations-owned equipment.

91. The purpose of the directive on property management is to establish and communicate strategic guidance on strengthening the management of United Nations property, accounting compliant with IPSAS and reporting on property, plant and equipment and inventory. Compliance with the directive is mandatory for all Department of Field Support staff at Headquarters, the Global Service Centre, the Regional Service Centre in Entebbe and missions who are responsible for or tasked with property management functions, including commodity management, fixed asset management, property control and inventory management, receiving and inspection, property survey and property disposal.

92. As a result of the directive, the Administration submits, on a quarterly basis, a performance report summarizing missions' performance achievements in accordance with the property management performance framework, including its 25 key performance indicators. The Department of Field Support evaluated the key performance indicators on the basis of the Galileo global inventory transactional

data analysed through Business Objects corporate reports as at 1 July 2016. The Logistics Support Division analysed performance, made observations and recommendations to missions and highlighted the progress made by missions in strengthening the management of and accountability with respect to United Nations property.

93. The report provides a comprehensive overview of property management performance for the Department of Field Support and missions, and highlights critical shortfalls and areas of delay and underperformance. The report covering the financial year 2015/16 showed that, while most missions met the performance targets of asset accountability and financial reporting on plant and equipment and inventory under IPSAS, overall critical shortfalls had been observed in the following areas:

(a) Write-off backlog of property and equipment: 65 per cent (target: 0);

(b) Accumulated depreciation ratio of property and equipment while in stock: 31 per cent (target: 0);

(c) Provisional receiving and inspection time: 76 days (target: 15).

94. Moreover, overall delay and underperformance are also noted in the following areas:

(a) Receiving and inspection checked by the Property Control and Inventory Unit: 96 per cent (target: 100);

(b) Effectiveness of the physical verification of non-expendable items below the threshold: 96 per cent (target: 100);

(c) Timeline for the location of "not found yet" items: 44 days (target: 30);

(d) Disposal by commercial sale — timeline completed: 350 days (target: 180);

(e) Backlog disposal by commercial sale greater than 180 days: 43.6 per cent (target: 0).

95. The analysis of performance results against the objective of an efficient and effective asset management function indicates an overall critical shortfall in the key performance indicator "Passed life expectancy in stock", with a result of 23.1 per cent (target: 0 per cent).

96. Furthermore, overall underperformance is reported with regard to the following measures:

(a) Good surplus:[3] 54.7 per cent (target: 100 per cent);

(b) Operational stock:[4] 92.9 per cent (target: 100 per cent).

97. Key performance indicator results are provided in table II.10.

[3] Identification of a good surplus as a source of supply for missions' acquisition plans. Surplus stocks have been declared at nine missions.

[4] Serviceability of equipment and maintenance timeline-setting.

Table II.10
Summary of performance evaluation for the financial year 2015/16

Department of Field Support objectives on property management	*Key performance indicators*	*Unit of measurement*	*Target*	*Tolerance*	*Overall mission results as at fourth quarter of 2015/16*
Asset accountability and financial reporting on property, plant and equipment and inventory under IPSAS	Provisional receiving and inspection process time	days	15	5	**76**[a]
	Effectiveness of physical verification of property and equipment	%	100%	0.5%	99.7%
	Backlog in the reconciliation of "not found yet" property and equipment	%	0%	0.5%	0.1%
	Effectiveness of physical verification of financial inventory	%	100%	0.5%	100.0%
	Accumulated depreciation to historical cost ratio for property and equipment	%	60%	10%	66.5%
	Accumulated depreciation ratio of property and equipment while in stock	%	0%	20%	**31.1%**[a]
	Write-off backlog for property and equipment	%	0%	10%	**65.1%**[a]
	Receiving and inspection process time	days	15	5	18
	Receiving and inspection checked by Property Control and Inventory Unit	%	100%	2%	96.0%
	Effectiveness of physical verification of non-expendable property	%	100%	2%	96.3%
	Not located in previous reporting cycle	%	0%	0.5%	0.3%
	Physical count of expendable property in stock	%	100%	10%	95.8%
	Write-off process timeline	days	90	30	87
	Rate of reconciliation of discrepancies related to record accuracy (user-location-status)	%	100%	5%	96.5%
	Timeline for location "not found yet" items	days	30	10	44
	Timeline for initiation of write-off of "not found yet" items	days	90	30	114
	Disposal backlog (excluding commercial sale) greater than 180 days	%	0%	25%	15.5%

Department of Field Support objectives on property management	*Key performance indicators*	*Unit of measurement*	*Target*	*Tolerance*	*Overall mission results as at fourth quarter of 2015/16*
	Disposal by commercial sale — timeline completed	days	180	30	350
	Backlog disposal by commercial sale greater than 180 days	%	0%	25%	43.6%
Strengthening stewardship of United Nations-owned equipment while gaining greater efficiencies and economies of scale through the implementation of a well-managed and agile supply chain across the Department of Field Support	Logistics Support Division stock ratio	%	20%	5%	16.7%
	Ageing stock	%	50%	5%	53.2%
	Passed life expectancy in stock	%	0%	10%	**23.1%**[a]
	Good surplus	%	100%	10%	54.7%
	Operational stock	%	100%	5%	92.9%
	Equipment utilization time frame	%	80%	10%	77.6%

Source: Department of Field Support (Contingent-Owned Equipment and Property Management Support Section).
[a] Critical shortfalls.

98. In addition to submitting the quarterly performance report, the Department of Field Support plans to further develop its field analytics workspace, allowing for more detailed analysis of property management performance. The workspace is used to help the Administration visualize data, understand operational performance, drive planning and make decisions.

99. Furthermore, the property management performance framework was enhanced by introducing a property management performance index to be used by the Department of Field Support, the Global Service Centre and field missions for strategic, operational and mission-specific performance assessments. On 18 August 2016, the index was adopted by the Department's directors. It aggregates complex information from the property management performance framework into a simplified performance measure while maintaining the integrity of performance metrics linked to the departmental objectives of accountability and stewardship. The selection and allocation of key performance indicators to sub-indexes and the assignment of weight factors, in terms of operational impact and corporate importance, including the need to address the reiterated audit observations, was carried out after consultations with property management counterparts at the field missions. Each key performance indicator is assigned a maximum score based on its importance. The overall maximum score is 2,000 points. Missions are requested to introduce the property management performance index as a results-based-budgeting indicator of achievement for the financial year 2017/18, with the agreed performance target of 1,800 points.

100. Applying the property management performance index, the Administration analysed data for the financial year 2015/16. The Board would like to highlight the following results: only UNMISS and MINURSO met the above-mentioned target of

1,800 points on the total property management performance index, while UNSOS, ONUCI, MINUSTAH and UNAMID had outputs on the lower end of the scale (below 1,600). The performance index highlights the fact that most missions performed well in terms of accountability regarding property with the exception of MINUSMA, MINUSTAH and UNAMID, which had outputs below 800 points. The result on the stewardship sub-index indicates overall underperformance by half of the missions, with results below 800 points (UNAMID, MINUSTAH, UNSOS, ONUCI, MINUSCA, UNMIL and UNIFIL).

101. As in recent years, the Board continued to note weaknesses in property management. It noted that the Department of Field Support had created the property management performance index as a method of aggregating complex information to enhance the visibility of mission property management and to be used as an indicator of achievement in the results-based-budgeting framework. While this has made the statement of property management increasingly important, the quality of the property management performance framework, the related reports and the new index depends on the quality of the underlying data, which must be reliable, consistent and up to date. It is crucial that the Department of Field Support maintain the quality of data before and during the decommissioning of the Galileo inventory system in 2017.

102. The Board will monitor the results of the use of the property management performance index in the coming financial years. It considers the role of the Department of Field Support in monitoring and advising missions to be crucial. The steps taken should be continued in order to support missions individually in identifying areas of shortfalls and underperformance and to take appropriate action.

103. **The Board recommends that the Department of Field Support assess the newly created property management performance index as a results-based-budgeting indicator with regard to the quality of data, particularly before and during the decommissioning of the Galileo inventory system.**

104. **The Department of Field Support should also help missions to visualize data, drive planning, make decisions and take appropriate actions to improve in the areas of critical shortfalls and underperformance.**

Alleged loss of non-expendable items

105. In 2015, the Board, together with the MINUSCA warehouse staff, conducted a spot-check of non-expendable items. The warehouse manager and the Board agreed that non-expendable items worth $1.29 million were missing. The Board recommended that MINUSCA conduct periodic physical verification of inventory.

106. During its 2016 field visit, the Board followed up on the issue. MINUSCA senior staff told the Board that they had never been aware of this loss and had never acknowledged its existence. They also provided documents to audit in order to reconcile the items. The Board noted that the documents provided did not permit reconciliation of the items shown as missing in the physical verification carried out in 2015. MINUSCA stated that the conclusions drawn by the audit team in 2015 regarding the missing non-expendable items worth $1.29 million had been based on incorrect information, an imperfect interrogation of the Galileo asset management

system and a careless work ethic on the part of staff entrusted with responsibility for the management of United Nations resources.

107. The Board noted that the point of the imperfect interrogation of Galileo had not been raised by the Mission at the time of audit or in the response to the management letter. Now, after a gap of one year, the Mission has stated that there was imperfect interrogation. The Board would like to reproduce the response of the Department of Field Support on this issue in the management letter: "The Department of Field Support wishes to clarify that timely recording of transactions in the inventory management system is critical for material management and accurate financial reporting. The Department has repeatedly urged missions to ensure inventory accuracy and data reliability of property records through effective physical verification. The timely review and correction of detected discrepancies will support management decision-making and accounting for assets. The Mission management will ensure strict compliance with the established procedures relating to inventory management."

108. The fact remains that in 2015, physical verification was conducted jointly by the Board and MINUSCA staff. The verification revealed the non-availability of the non-expendable items. A MINUSCA representative jointly signed the physical verification report with the auditors, confirming that the items were missing. In addition to the potential loss of the non-expendable items, the Board regards as critical the fact that MINUSCA senior management was not aware that Mission staff had confirmed the loss despite its having been pointed out as critical by the Board in its 2015 management letter. Internal controls in respect of audit observations and audit findings of the external auditor need to be intensified.

109. **The Board recommends that the Department of Field Support encourage MINUSCA to conduct a complete physical verification and reconcile the missing items.**

Examples of misallocation and discrepancies in expendable property inventory

110. The property management directive requires missions to prioritize physical verification activities as a key action for ensuring inventory accuracy and data reliability and to seek to achieve the target of 100 per cent by the end of the financial year.

111. The monitoring of the key performance indicator relating to the property management standard operating procedure requires that all of a mission's items recognized as financial inventory be physically verified at least once a year. The target for this indicator was set at 100 per cent, with a tolerable rate of 0.5 per cent. Furthermore, paragraph 34 of the closing instructions issued by the Department of Management requires that financial inventory be updated in Galileo by 30 June 2016 and that missions confirm their inventory reports by 15 July 2016.

112. At UNISFA, the Board selected a sample of 82 out of 5,066 items, with a capitalized value of $1.4 million, to verify their physical existence. The items selected included 20 from the Engineering Section, 20 from the Supply Section, 32 from the Transport Section and 10 from the Geospatial, Information and Telecommunications Technologies Services Section. The Board noted that 15 items from the Transportation Section with a capitalized value of $173,057, equivalent to

18.3 per cent of the sampled items, had been found in locations different from those recorded in the Galileo asset management system. The misplaced items accounted for 46.9 per cent of the inspected items in the Transport Section, indicating that changes in the physical locations of items in that Section were not being updated in a timely manner in Galileo.

113. The Board noted that 20 items (valued at $297,599) out of 32 items (valued at $474,065) in the Transport Section were in quantities different from those recorded in Galileo.

114. The Mission explained that the anomalies noted were attributable to a lack of storage space, which had compelled UNISFA to mix up items in containers. It also stated that efforts were under way to update all items in the system in order to reflect their actual quantities and locations.

115. While the Board acknowledges the Mission's explanation and its plans to update the system appropriately, it is concerned about the location tracking and quantity management of the expendable property inventory for transportation amounting to $1.6 million (12.6 per cent), out of a total expendable property inventory amounting to $12.7 million, reported for the financial year 2015/16.

116. During its visit to the MINUSMA regional office in Gao, the Board reviewed a case of theft involving 35 stolen air conditioning units and soldering rods. It noted that, owing to insufficient documentation of property, the Mission was not able to verify the value of possible losses resulting from additional alleged thefts. The Mission admitted the possibility of more weaknesses than might be visible at first glance. In addition, it stated that individual contractors had never been supervised in accordance with the relevant mission guidelines. The Mission intended to conduct further investigations into the possible involvement of other United Nations personnel.

117. The regional office in Gao had designed an Excel-based database covering the complete range of electrical and construction equipment and supply. The Board noted that, because neither the quantities nor the status of the requested property was documented in the database, the Board's query regarding air conditioning units demonstrated that the office had not been able to verify the quantities or the status of electrical equipment as at the date of the audit.

118. The Mission stated that air conditioning units in stock were subject to an annual physical verification. The most recent verification had been completed at the end of June 2016. The Mission would verify the entire range of expendable property classified as valuable, including air conditioning units in Gao, by 30 November 2016. The results would be recorded in the Galileo asset management system.

119. The Department of Management, together with the Department of Field Support, issued a note to OIOS on 30 November 2016 requesting that it take up these cases for investigation to establish the facts.

120. **The Board recommends that the Department of Field Support ensure that missions strengthen their inventory management so that all items are well arranged according to identity and kept in their registered locations.**

121. **The Board recommends that the Department of Field Support ensure that missions thoroughly inspect their inventory to identify all items and update the Galileo system accordingly.**

122. The Department of Field Support stated that the theft of air conditioning units and soldering rods at MINUSMA had been referred to OIOS. Subsequent to the referral from OIOS to the Mission to investigate the case, the outcome of the MINUSMA investigation report had been reviewed by OIOS, which had closed the case.

123. The Board has considered the comments made by the Department of Field Support. It reiterates the recommendations above.

Idle stock

124. While analysing the ageing of non-expendable items, the Board observed that at UNIFIL, 83 items had not been used for more than one year, resulting in a blockage of funds of $2.10 million. Furthermore, 602 expendable items had been purchased at least one year earlier for $2.1 million and had not been used at all by UNIFIL. The Mission replied that it had begun a project to reduce the stockholdings in its warehouses. In addition, certain items were very difficult to exchange or replace and critical items were required in order to maintain essential services. The Board is of the view that UNIFIL must carry out inventory optimization to prevent idle stocking and non-utilization of property.

125. The Board noted that MINUSTAH kept in stock spare parts amounting to $5.46 million, which was equivalent to 51 months of average consumption. In response, MINUSTAH indicated that measures had been taken to reduce excess holdings. The Board found that those measures had been inadequate to deal with the excess stock kept by the Mission.

126. At UNDOF, the analysis of available quantities in stock with respect to 93 items of non-expendable property revealed that the Force kept considerably high stocks of 82 out of 93 of these items. The stock levels of 54 items were equivalent to requirements for more than 12 months. Similarly, 215 non-ICT assets, with a value of $1.49 million, had lain idle for periods ranging from 8 to 56 months. Furthermore, the Board noted that the useful lives of 38 of those 215 items, with a value of $186,494, had expired. UNDOF had purchased 67 ICT assets, valued at $286,459, during the financial year 2015/16. Of those 67 assets, only 22 had been put into use in operations during the period; the remaining 45, worth $182,047, had not been used.

127. **The Board recommends that missions implement the asset management system effectively to avoid the idling of stock and ensure the optimal use of assets in the most economical ways.**

Implementation of the supply chain management concept

128. The supply chain management strategy is guided by a vision aimed at implementing and maintaining an agile and well-managed supply chain that supports clients effectively and efficiently. Supply chain management is expected to deliver improvements in terms of efficiency, responsiveness, effectiveness and client satisfaction along the supply chain, and will also optimize resources through

the enhancement of the supply planning and global inventory management and acquisition process.

129. The supply chain management framework was introduced on 9 December 2014 as part of a process to support mission structures and with the main objective of placing stronger emphasis on client-focused service delivery and an integrated supply chain management system at large missions.

130. The MONUSCO supply chain management vision, strategy and implementation road map, introduced in September 2015, was developed largely in accordance with the directives of the Department of Field Support; however, the timeline for each phase of implementation was different from that stipulated by the Department.

131. The Mission's implementation road map identifies three phases, with the following timelines: phase 1, "Foundation", 1 July 2015 to 1 July 2016; phase 2, "Stabilization", 1 July 2015 to 1 July 2016; and phase 3, "Consolidation", 1 July 2016 to 30 June 2017. The road map differs from that provided by the Department of Field Support, which lays out a step-by-step approach and provides sufficient time for implementation at missions to reflect lessons learned before the next step is undertaken.

132. The Department of Field Support road map sets out the following implementation timelines: phase 1, "Foundation", 1 July 2015 to September 2017; phase 2, "Stabilization", 1 January 2017 to December 2018; and phase 3, "Consolidation", 1 January 2018 to June 2019.

133. The MONUSCO road map combines several phases, without following the logical sequence provided by the Department of Field Support blueprint; for example, phases 1 and 2 have the same implementation timeline. That approach has already created challenges for the Mission, because procurement specialists from different self-accounting units were moved under the supply chain management process but their functions were not integrated, so their reporting lines are not clear. The Board is of the view that bringing together the staff of different self-accounting units while keeping warehousing as a separate function does not help to realize the concept of an integrated warehouse, since those staff continue to perform the same functions that they performed in the self-accounting units, but under different timelines and a new reporting officer.

134. The Board noted that the Mission had not carried out a detailed study of its support functions, which would have been reflected in the supply chain management concept. The study could have identified inefficiencies in the current business process (functions based on self-accounting units) and the efficiencies, inter alia, of the entire process of implementing the concept.

135. The Board also noted that no standard operating procedure had been introduced to guide the implementation of supply chain management at the Mission, which had resulted in the following shortcomings: (a) there was a lack of clear terms of reference for the physical verification of mission inventory; (b) key performance indicators for inventory management had not been established; (c) there were no clear guidelines on the reporting function under supply chain management; (d) there was a lack of clear individual roles for the staff implementing supply chain management; and (e) optimization concepts were not considered.

136. Those deficiencies were due mainly to the lack of a plan that could establish a time frame for the smooth implementation of the supply chain management concept. In addition, the lack of clear guidance from the Department of Field Support on the implementation time frame for the concept had caused MONUSCO to sort out its own ways to implement it.

137. The Board considers that, first and foremost, it was necessary to conduct a detailed study and draft a feasible plan for the implementation of the concept under a step-by-step approach.

138. **The Board recommends that missions perform a detailed analysis of their functions and document efficiency gains and process effectiveness upon the full implementation of the supply chain management framework. The analysis should detail the inefficiencies and ineffectiveness that existed prior to the implementation of the supply chain management concept.**

139. **The Board also recommends that missions update the implementation road map to bring it into line with Department of Field Support directives. The road map should be translated into detailed milestones with relevant key performance indicators to measure performance during the implementation process.**

8. Air operations

Coordination of air operations

140. The Strategic Air Operations Centre of the Global Service Centre was established to provide cost-effective strategic airlift support while realizing the United Nations Headquarters concept of global fleet utilization and fleet optimization. It is mandated to support the Air Transport Section of the Department of Field Support in achieving synergies, economies of scale and cost efficiencies. Coordinating with missions and providing recommendations to the Section in shaping the United Nations aeronautical fleet should ensure harmonization and the best value for money for further financial/contract performance dissemination through Headquarters.

141. The Board noted that the Strategic Air Operations Centre had no air asset tasking authority. It analysed and provided real-time monitoring of strategic flights. Owing to its envisaged realignment, the Global Service Centre stated that the Strategic Air Operations Centre did not have a sufficient number of staff to carry out operations 24 hours a day, 7 days a week. The current edition of the Aviation Manual, issued in 2005, did not even refer to the Strategic Air Operations Centre and therefore did not provide justification for operations in shift work. The Department of Field Support had yet to provide an up-to-date air operations directive or Aviation Manual that reflected the existence and mission of the Centre. In the absence of instructions from the Department, the Board did not see any need to change the current mission and number of staff of the Centre.

142. The Transportation and Movements Integrated Control Centre of the Regional Service Centre in Entebbe is a regional entity. Its task is to optimize the movement planning and the implementation of the client missions of the Regional Service Centre. It is responsible for supporting inter-mission cooperation between those regional missions and monitoring and advising them with respect to movement

planning. Planning and optimization do not constitute command and control, accountability or air asset tasking authority. There is no clear guidance from the Department of Field Support as to how the Transportation and Movements Integrated Control Centre should be tasked, how it should plan or optimize the use of aircraft or what aircraft coordination services it should offer to the missions. Guidance from the Department is also needed on how the Transportation and Movements Integrated Control Centre will be integrated into the organization and coordination of United Nations air operations to avoid confusion in the planning process that might affect the safety and security of air operations. In addition, it is important that the functional/operational boundaries between the regional support and the strategic support assigned to the Strategic Air Operations Centre not be crossed.

143. The Board noted that there was no clear guidance on how mission air assets should be tasked, coordinated and utilized or on the specific roles of the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre in the coordination of air assets. They were not involved in the tasking of aircraft or the execution of flight operations or in addressing flight safety issues; missions themselves retained full responsibility for those functions. There was a need to interlink the responsibilities and boundaries of the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre in carrying out their role of managing air transportation support. The additional multiple layers of responsibility in an operational environment should not be redundant, create more delays or deliver services and support less effectively. As a result of the lack of relevant policies and the fact that the Aviation Manual 2005 had not yet been reviewed and the standard operating procedures of the Strategic Air Operations Centre and the aviation cell of the Transportation and Movements Integrated Control Centre had not been updated, the Centres lacked the necessary guidance to carry out their activities.

144. The Department of Field Support stated that the roles and responsibilities of the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre were set out in previous governance documents, which had not been updated. It stated that the Aviation Manual 2005 did not refer to the Strategic Air Operations Centre or the aviation cell of the Transportation and Movements Integrated Control Centre because those entities had been established after the issuance of the Manual. The newly revised Manual, which was under final review, would cover the functions of each of the above-mentioned entities. Moreover, further revisions of the relevant governance documents, standard operating procedures and policies and the Manual could be expected, in line with the development and implementation of the supply chain management concept of the Logistics Support Division.

145. **The Board recommends that the Department of Field Support define clear roles and responsibilities for United Nations use and coordination of air assets.**

146. **The Board also recommends that the Department of Field Support realign the strategic air operations objectives so that the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre are able to revise their standard operating procedures, key performance indicators, workplans and job descriptions.**

147. The Department of Field Support concurred with the recommendation.

Special flight requests

148. According to the standard operating procedure on aviation operations, except in emergencies, approved special flight requests must be submitted to the mission's aviation section a minimum of two working days prior to the date of the requested flight (six working days for flights to or from Israel). Special instructions must be submitted to the aviation section a minimum of two working days in advance of the planned flight in order to allow sufficient time for mission planning, aviation risk management and required coordination.

149. For example, the Board observed in UNIFIL records that, out of 446 special flight requests, 104 had been submitted fewer than two working days in advance. Those 104 requests did not include requests for emergency flights or test flights and were not in compliance with the standard operating procedure on aviation operations. This reduced the amount of time available for mission planning, aviation risk management and required coordination.

150. The mission replied that 60 special flight requests had been submitted two days prior to the date of the requested flight. The Board noted that the mission had not provided any evidence in that regard and, furthermore, no justification had been given for the remaining flights. Non-adherence to the prescribed standard operating procedure on aviation operations could affect mission travel plans and increase flight costs.

151. **The Board recommends that the Department of Field Support issue guidance to all missions to follow the procedures on air operations to ensure the economy of aviation support operations.**

Underutilization of air assets

152. The Aviation Manual 2005, issued by the Department of Peacekeeping Operations and the Department of Field Support, defines "no flight required" days as days on which aircraft are not required for a mission/flight and "not available" days as days on which aircraft are not operationally available.

153. At UNISFA, the number of "no flight required" days increased compared with the previous year, indicating that there had been an increase in the underutilization of air assets.

Table II.11
Underutilization of UNISFA air assets (12 in 2014/15 and 9 in 2015/16)

	Financial year 2015/16		*Financial year 2014/15*	
Details	*Total*	*Average per aircraft*	*Total*	*Average per aircraft*
No. of days in support	3 276	364	3 301	275
Not available	425	47	388	32
Net No. of days in support	2 851	317	2 913	243
No. of days No flight required	1 238	138	796	66
No. of days when no flight was required over net No. of days in support (percentage)	44	44	27	27

Source: Analysis based on the electronic monthly aviation reports of UNISFA.

154. The mission informed the Board that inclement weather conditions had caused the increase in the number of "no flight required" days; for example, from 13 to 15 March 2016 no aircraft had been operated, which alone accounted for 27 such days. Furthermore, the mission explained that while contract No. PD/C0306/12, for two aircraft (United Nations 350 and United Nations 351), had provided for two crews, guaranteeing flights for seven days a week, the replacement contract, No. PD/C0080/15, had provided for only one crew, which had reduced the number of days that the aircraft could be tasked, therefore increasing the number of "no flight required" days. Each contract required one rest day per week unless two crews were available. The omission of the provision for two crews in the new contract had increased the number of "no flight required" days by 104 (52 times 2).

155. Despite the mission's justification for an increase of 131 (104 plus 27) "no flight required" days, the Board noted that the remaining 311[5] "no flight required" days was still high compared with the number of such days registered in 2014/15 and reflected the excess capacity of the aircraft fleet. Therefore, the mission needed to review its current requirements for air assets against available capacity with a view to reducing its number of "no flight required" days.

156. **The Board recommends that the Department of Field Support task missions with analysing aircraft requirements in order to reduce the number of their "no flight required" days and ensure that their aircraft are effectively and efficiently used.**

157. The Department of Field Support wished to clarify that, unlike aircraft in commercial aviation operations, where a seat, hour utilization and flight schedule can be easily determined and strictly adhered to, United Nations air operations have unique operational requirements, environments and deliverables, which are affected by various factors that are often beyond the control of missions.

158. The Board recognized the comments made by the Department of Field Support. It reiterates the recommendations above.

Operational capability of unmanned aerial vehicles

159. Contract No. PD/C0103/13 requires that the contractor provide MONUSCO with five unmanned aerial vehicles and additional equipment (including ground stations). Two of the vehicles are to be equipped with surveillance sensors. The system is to provide full operational capability.

160. The Board analysed the electronic monthly aviation report relating to the unmanned aerial vehicles and noted that three of the vehicles had been utilized less frequently (fewer than 213 days per year). The underutilization had been caused mostly by vehicle accidents and delays in replacing the damaged vehicles. For example, of the three unmanned aerial vehicles involved in accidents in 2015/16, one had been replaced after four months, while two had not been replaced as at 30 June 2016.

161. The Mission explained that, in coordination with United Nations Headquarters, it was taking steps to engage a better service provider through a new bidding process. The Board emphasizes that the unmanned aerial vehicle support

[5] (1,238 days — 795 days — 131 days).

service provided to MONUSCO should be fully operational at all times, since the reduced capability of such vehicles affects the process and intelligence activities, which are highly dependent on information produced by the unmanned aerial system.

162. Contract No. PD/C0103/13, for the provision of an unmanned aerial system in support of MONUSCO, entitles the United Nations to deduct liquidated damages of 0.08 per cent of the cumulative sum for each day on which all unmanned aerial vehicles are not fully operational.

163. The Board noted that the Mission's unmanned aerial vehicle utilization report for the period under review showed that, out of five contracted unmanned aerial vehicles, only two had remained operational from 4 February to 30 June 2016. The Mission had failed to deduct 0.08 per cent of the cumulative sum up to the maximum amount for each day on which all unmanned aerial vehicles had not been fully operational.

164. The Mission explained that the deduction of liquidated damages had to be carried out at Headquarters. In addition, all payments relating to the services of unmanned aerial systems were handled at Headquarters.

165. The Board emphasizes the need for missions to enforce compliance on the part of contractors with the terms and conditions of the relevant contracts to ensure effective service delivery and the achievement of the intended objectives.

166. **The Board recommends that the Department of Field Support, together with missions, ensure the recovery of liquidated damages for the non-provision of unmanned aerial system services in accordance with the relevant contracts.**

167. The Department of Field Support stated that the reduced utilization of the unmanned aerial system at MONUSCO was attributable to a number of factors, including inclement weather, incidents/accidents and lack of familiarity with the terrain. Furthermore, this was a pilot commercial unmanned aerial system project for the United Nations, and many lessons learned had been drawn from the exercise at MONUSCO.

168. The Board recognized the comments made by the Department of Field Support. It reiterates the recommendations above.

9. Fuel management

169. According to the Department of Peacekeeping Operations fuel operation policy, issued on 14 July 2008, peacekeeping missions must ensure that fuel fraud and loss prevention is always exercised, by developing inspection regimes, initiating and following up on investigations, and ensuring the monitoring and analysis of fuel consumption based on the detailed monthly fuel consumption reports submitted by fuel-consuming sections.

170. The Board reviewed the security and investigation reports, monthly fuel consumption reports and fact sheet reports submitted by UNMIL for the year ended 30 June 2016. The Board noted that seven cases of fuel fraud, involving 68,218 litres of fuel valued at $34,879, had been reported to the Security Investigation Unit: 13,000 litres of fuel valued at $9,178 had been stolen, while 55,218 litres valued at $25,701 were the subject of cases of presumptive fraud due to overconsumption.

Table II.12
Trend of fuel theft at UNMIL

Year	*Fuel stolen (litres)*	*Cost of stolen fuel ($)*
2015/16	68 218.00	34 879.44
2014/15	87 068.30	144 533.38
2012/13	44 068.00	40 085.72
2011/12	20 159.00	18 859.32

Source: Data provided by the UNMIL Fuel Unit.

171. UNMIL informed the Board that the procurement process for turnkey services had been completed and the new contract had commenced on 1 June 2016. Under the new contract, UNMIL had reduced the number of fuel stations from 14 to 6 and reduced its fuel holdings from a maximum of 2 million litres to 1 million litres of strategic fuel reserves.

172. The Board noted the reduction in the number of fuel theft cases at UNMIL compared with the previous year, as shown in table II.12. However, the amount was higher than in the years 2011/12 and 2012/13. The Board observed the reduction in the number of fuel stations and how that had reduced the amount of stolen fuel. Nevertheless, fuel theft can be further reduced at UNMIL, as proved in 2011/12 and 2012/13. The Mission needs to take further action to achieve such a reduction.

173. The Department of Field Support clarified that, as a result of the drawdown of UNMIL, a very limited number of supervisory staff were available at the Mission to monitor all of its fuel stations and generator sites. In addition to the actions it had already taken, UNMIL had installed closed-circuit camera systems at designated fuel stations. Unannounced inspections of fuel stock were carried out at fuel stations. The fuel consumption of vehicles and generators was closely monitored through the electronic fuel management system. When any anomaly was found, the Special Investigation Unit was requested to investigate the matter, and records were maintained with respect to all vehicles and drivers entering the fuel stations. Since the findings relate to a mission in its drawdown phase, they cannot necessarily be regarded as representative of all missions.

174. Nevertheless, the Board considers that some of the cases date back to as long ago as 2011/12, highlighting that the deficiency was due not only to the drawdown, but also to a weakness in control over fuel. The Board is also of the opinion that the deficiency is an illustrative example of problems arising in the drawdown phases of missions; for example, it can be regarded as a lesson learned for UNOCI.

Electronic vehicle fleet management system

175. According to the Surface Transport Manual, issued by the Department of Peacekeeping Operations and the Department of Field Support, the electronic vehicle fleet management system must be installed and operational in all United Nations vehicles. The system, commonly known as the CarLog security system, is an electronic vehicle data collection system that was introduced at field operations to improve the management of vehicle fleets. The system not only automates

inaccurate and cumbersome trip ticket processing, but also effectively helps to prevent or reduce the unauthorized use of vehicles; overspeeding; accidents; and the non-reporting of vehicle maintenance. It also provides support for investigations.

176. At UNDOF, the Board analysed vehicle operation log reports and noted that vehicle mileage varied from 0 to 3.7 kilometres (2.3 miles) per litre. Further analysis revealed broad variations, even in the same vehicle class. When the Board discussed the issue with the section in charge, it was informed that although the CarLog system recorded vehicle movement, it did not monitor fuel consumption automatically; the driver was required to feed fuel consumption data into the system manually from another stand-alone system, called FuelLog. The Board is of the view that the manual record of fuel consumption implies the risk of manipulation.

Electronic fuel management system

177. The Board noted that MONUSCO had used an electronic fuel management system involving various self-developed electronic programs to track fuel stock holdings and fuel consumption per contingent, per location and per equipment type. Fuel units included a sub-unit responsible for implementing fraud prevention programmes and handling fuel monitoring activities and inspections. The Mission explained that the electronic fuel management system project had been initiated pursuant to General Assembly resolution 60/259 and in response to OIOS recommendations on fuel management at peacekeeping missions (see A/61/760). It had been developed in-house by the Office of Information and Communications Technology for fuel management at all peacekeeping missions. The electronic fuel management system had been implemented; standard operating procedures were still under development.

178. The Department of Field Support clarified that the electronic fuel management system was a tool for fuel control and management. It could not detect anomalies on its own; management must analyse the data in cases involving the conspicuous use of fuel. Accordingly, the Department would encourage the missions to utilize the electronic fuel management system to improve fuel management and to use its reporting systems for the implementation of preventive measures to avoid a recurrence of detected fraudulent activities. Where the electronic fuel management system had not yet been implemented, the Department would encourage missions to use alternative systems for fuel consumption control, such as CarLog.

179. The Board noted the efforts made at Headquarters and missions to ensure transparency with respect to fuel consumption and reduce the number of cases of fuel theft. The introduction of the electronic fuel management system and the use of the electronic vehicle fleet management system at those missions where the electronic fuel management system had not been implemented had proved helpful. Both systems, however, should be accompanied by strict compliance with standard operating procedures in order to effectively prevent misappropriation. The Board regards the measures taken at UNMIL as progress towards greater protection from fraud and theft. Such protection also needs to be supported at a mission undergoing a drawdown process and may in no way be lessened.

180. **The Board recommends that the Department of Field Support encourage missions to strengthen the security measures and controls of the electronic vehicle fleet management system (CarLog) and the electronic fuel management**

system in order to prevent or detect fuel fraud and theft even more than has hitherto been the case.

10. Acquisition planning and procurement management

181. Procurement plays a critical role in enabling organizations to achieve their objectives. It commences with the assessment of requirements and acquisition planning. The Financial Regulations and Rules of the United Nations define general procurement principles and procedures. Those principles are elaborated on in the Procurement Manual.

182. The Under-Secretary-General for Management is responsible for procurement functions. He has delegated that authority to the Assistant Secretary-General for Central Support Services. At Headquarters, procurement authority has been delegated to the Director of the Procurement Division. The Division consists of two services: the Field Procurement Service and the Headquarters Procurement and Support Service. One office of the Field Procurement Service, the Regional Procurement Office, is located in Entebbe.

183. For missions, the Assistant Secretary-General for Central Support Services has delegated procurement authority to the Under-Secretary-General for Field Support, who has delegated it to the directors/chiefs of mission support. The directors/chiefs of mission support delegate procurement authority to their procurement staff.

Monitoring of the procurement sections of missions

184. Each delegation of procurement authority is a personal delegation, and the person to whom such authority is delegated is responsible and accountable for ensuring that the procurement conducted under his or her authority is in accordance with the Financial Regulations and Rules of the United Nations, the Procurement Manual and all other relevant United Nations instructions.

185. The delegation of procurement authority document describes thresholds and goods and services that the person to whom authority is delegated may procure. Furthermore, it states that the following are to be submitted by directors/chiefs of mission support to the Department of Field Support and by the Department to the Assistant Secretary-General for Central Support Services:

(a) Copies of sub-delegations of procurement authority;

(b) Reports on all approved procurement of core requirements exceeding $500,000, on letters of assist and on ex post facto cases.

186. The Board noted that the Department of Field Support had not been submitting the required quarterly reports of late; only at the end of November 2016 had it submitted the reports for the period from July 2015 to September 2016. The Field Procurement and Liaison Team was responsible for managing delegations of procurement authority and advising and supporting the Under-Secretary-General for Field Support with respect to field procurement issues. The Team explained that the submission of the reports had been delayed because there had been a shortage of staff since July 2015, and assured the Board that the next reports would be submitted on time. The Team also stated that it had implemented measures to ensure the receipt, review and analysis of the required reports from missions and the timely

submission of the reports to the Assistant Secretary-General for Central Support Services.

187. Furthermore, the Board noted that, while the delegation of procurement authority document requested that copies of sub-delegations of procurement authority be submitted to the Under-Secretary-General for Field Support, he was not informed about the overall organization of the procurement section of the mission in question, which staff had procurement authority or the training status of those staff. Basic and intermediate-level online training on procurement topics was provided by the Procurement Division. Upon request, the Division provided information and statistics on that training to client departments and oversight bodies of the Secretariat in a timely manner. The Division explained that each manager who had the authority to sub-delegate procurement authority was required to complete the phase 1 courses. Furthermore, each manager was responsible for monitoring compliance by his or her sub-delegates with the requirement to complete phase 1 courses.

188. The Board considers that it is necessary that the Department of Field Support have an overview of missions' procurement sections. Insight into the organization of procurement sections, their staff and the training status of those staff would improve monitoring options.

189. The Department of Field Support stated that historically it had requested the missions to provide updated information on their procurement staffing tables and on the completion of procurement courses. It was currently in the process of updating that information, with a deadline of 31 December 2016 for the missions. In addition, a revised delegation document would be issued shortly that would indicate the mandatory requirements relating to the completion of training courses.

190. The Board welcomes the intention of the Department of Field Support to continue to request information on missions' procurement staffing tables and on the completion of procurement courses. In addition, the Department should continue to follow up on missions' compliance with their reporting obligations, analyse the reports and submit them to the Assistant Secretary-General for Central Support Services.

191. **The Board recommends that the Department of Field Support improve the monitoring of the procurement sections of missions, in particular with regard to their organization, the engagement of new procurement staff and the completion of training.**

Acquisition process

192. According to chapter 8, section 8.1, of the Procurement Manual, acquisition planning is essential for the effective and timely solicitation of bids and proposals, award of contracts and delivery of the goods, services and works required by the United Nations. Therefore, requisitioners are responsible for developing an annual plan identifying, in particular, the item numbers, types and quantities of the goods to be acquired and the date by which they are required.

193. The Department of Field Support, in cooperation with the Global Service Centre and the Procurement Division, has developed an acquisition plan template that is distributed to missions. The Centre is responsible for reviewing and consolidating the plans submitted.

194. The Board noted that mission planning with respect to requirements/acquisitions offered scope for improvement. For example, in the MONUSCO acquisition plan for 2015/16, the required delivery date and the estimated quantities had not been indicated. After the Board's field visit, the Mission informed the Board that it had included the required delivery dates and the quantities of items to be purchased in its acquisition plan for 2016/17.

195. The Global Service Centre begins to review the acquisition plans in March. It is supposed to consider whether missions' requirements can be met from within existing resources and the global asset pool, in particular the strategic deployment stocks and mission surplus. The consolidated acquisition plan is then sent to the Department of Field Support. The Procurement Division publishes the missions' acquisition plans on its website.

196. In the consolidated acquisition plan for 2016/17, 3,938 mission requirements were listed. For some items, the information provided was incomplete; for example, the date by which the goods in question were required was lacking in 36 per cent of cases.

197. The templates should indicate whether the requirements are to be satisfied through existing contracts, strategic deployment stocks or mission surplus. The Board noted that the "existing contracts" column was blank in 45 per cent of cases, that only 0.6 per cent of the requirements were identified as coming from the strategic deployment stocks, and that the sourcing option "mission surplus" had not been selected at all.

198. So far, the Administration has not evaluated the requirements in order to develop an acquisition plan/strategy and, on that basis, a procurement strategy.

199. The situation is different with regard to the regional acquisition plan. It is established by the Regional Procurement Office to fulfil its mandate: to consolidate the requirements in the region into regional systems contracts. On the basis of mission acquisition plans, the chief procurement officers of the participating missions identify items to be procured by the Office, and the steering group of the Office approves the consolidated regional acquisition plan.

200. The Regional Procurement Office is not involved in the process described above. In the framework policy for the Office, it was agreed that each mission would provide a copy of its draft plan by the end of January each year. For its preparation of the regional acquisition plan for 2016/17, the Office did not receive the acquisition plans from missions by that date. It asked the Field Procurement and Liaison Team and the Global Service Centre for the plans and finally received them in June 2016.

201. The Board considers accurate, timely and comprehensive acquisition planning to be crucial for the effective and timely procurement of goods and services. While it acknowledges that the volatile environment of peacekeeping missions may hamper accurate planning, it believes that there is room for improvement. In particular, mission acquisition plans should include the data necessary to achieve this objective. Furthermore, requirements should be defined as accurately as possible. To maximize opportunities for consolidated procurement, it is essential that mission requirements be analysed and an effective global acquisition plan produced. On that basis, a central procurement strategy should be developed. It

remains unclear how that will be done and how the regional acquisition plan will be included in the process.

202. The Administration clarified that, with regard to the acquisition plans for 2016/17, the Global Service Centre had provided individual reports to missions, including clearing-house recommendations, such as surplus, United Nations reserve, strategic deployment stocks and systems contracts. In addition, it had already taken steps to improve the process in the light of the lessons learned from the first-ever effort to develop a global consolidated acquisition plan. The Global Service Centre was developing a web-based platform to replace the existing template and to improve the correctness, consistency and reliability of data. The platform would ensure the monitoring of mission submissions during the end-to-end acquisition planning process through a series of approval steps at the missions, the Global Service Centre and Headquarters. The steps were aimed at developing a simplified template for acquisition plans, utilizing Umoja material codes and product descriptions. A new acquisition planning team within the Logistics Support Division intended to work closely with the Global Service Centre and the Procurement Division to analyse mission requirements, develop an acquisition plan and work to create a global procurement strategy. It would monitor the implementation of such a strategy and ensure that the regional acquisition plan was incorporated into it. In order to highlight specific issues raised in recent audits, the Administration would issue instructions to missions, including the request that their procurement and requisitioning sections work closely together to review the mission's acquisition plan. Such a review should be aimed at developing agreed-upon procurement strategies in a timely manner and in consultation with the Department of Field Support as and when required with a view to the consolidation of requirements as appropriate. The target date for circulating the instructions was the first quarter of 2017.

203. The Board views as positive the progress made towards the establishment of a global acquisition plan. It encourages the Administration to implement the planned steps to ensure greater consistency of data and completeness of information. The Board considers that collaboration among departments is crucial for a successful global procurement strategy.

204. **The Board recommends that the Administration establish a procedure to support and monitor missions' preparation of acquisition plans to ensure that all the necessary data are included.**

205. The Department of Field Support stated that it intended to further develop the capacity to support the demand and acquisition planning process, as reflected in the budget proposal for the financial year 2017/18. It would also issue a facsimile to peacekeeping operations, including a statement requesting that their procurement and requisitioning sections work closely to review the missions' acquisition plans. The target date for the implementation of the recommendation is the second quarter of 2017.

206. **The Board recommends that the Administration establish a procedure that allows for the evaluation and analysis of mission requirements, the development of a global acquisition plan and, on that basis, the development of a procurement strategy.**

207. In its budget submission for the financial year 2017/18, the Department of Field Support proposes to establish a Planning and Enabling Section, which would focus on demand planning, sourcing planning and delivery planning. The new planning capacity would establish processes and procedures for the evaluation and analysis of mission acquisition plans, the development of a global acquisition plan and, on that basis, the development of a procurement strategy. The target date for the implementation of the recommendation is the third quarter of 2017.

208. **The Board recommends that the Procurement Division coordinate with the Department of Field Support on how to include the process of establishing the regional acquisition plan of the Regional Procurement Office in the process of developing the global acquisition plan.**

209. To address the recommendation relating to acquisition plans, the Department of Field Support and the Procurement Division have initiated discussions aimed at establishing a collaborative process for demand and acquisition planning. The target date for the implementation of the recommendation is the third quarter of 2017. The Division also stated that it would closely coordinate with the Department on the preparation of the regional acquisition plan for the financial year 2017/18.

Monitoring of procurement procedures

210. Since the rollout of Umoja cluster 4 in November 2015, Umoja has been used as a single platform for procurement.

211. The Board noted that the Umoja business intelligence module was still under development. For example, Umoja could not produce a report on systems contracts. Furthermore, Umoja did not capture the whole end-to-end procurement process, in particular the solicitation phase.

212. In terms of solicitation, requisitioners and procurement officers agree on a procurement activity schedule that captures the relevant steps set out in the source selection plan. The Board found that the deadlines established in the source selection plan were often not met. At UNMIL, seven contracts, with a total value of $10 million, provided for 21 activities that had been completed late; the delays had ranged from 21 to 77 days after the deadlines. The Procurement Division had undertaken two solicitations resulting in eight contracts, with a total not-to-exceed value of $28 million for the initial contract durations. The deadlines had not been met, with the delays ranging from seven months to one year.

213. The Board considers the lack of information on systems contracts and the procurement steps to be critical. Comprehensive information about the contracts and procurement procedures covering the relevant steps are essential for effective management and monitoring.

214. With regard to systems contracts, the Procurement Division has brought the issue to the attention of the Umoja business intelligence team. The new business intelligence module (currently under development) will include information that will allow for the identification of systems contracts. With respect to the tracking of procurement procedures, the Procurement Division stated that it saw two possible options with which to proceed:

(a) Leverage Umoja to enable it to manage the procurement process end to end (including acquisition planning, bid invitation, bid submission, technical evaluation, etc.);

(b) Alternatively, the Organization may invest resources in a case tracking/workflow management application.

215. The Department of Field Support stated that it was looking for a solution whereby the source selection plan would be endorsed by the Director of the Logistics Support Division. The Department had already invested resources in the establishment of a SharePoint platform to monitor and analyse systems contracts in terms of expiration dates and not-to-exceed amounts. The collaboration with the Procurement Division on the source selection plan would be the next step forward. Moreover, the Department would issue instructions in the first quarter of 2017 on monitoring the source selection plan schedule to ensure that target dates could be met to the degree possible.

216. The Board considers that the Administration should continue to address the issue of monitoring tools. It would be helpful if procurement officers and requisitioners used the same tool. Until an application ensures automatic tracking, the Administration should track and monitor procedures manually.

217. **The Board recommends that procurement officers and requisitioners track and monitor procurement procedures covering the relevant steps, and that they share this information.**

218. The Procurement Division stated that it would coordinate with requisitioners to increase the monitoring and tracking of procurement. However, this functionality was dependent on the deployment of Umoja Extension 2.

Utilization of systems contracts

219. According to section 13.9 of the Procurement Manual, systems contracts are used when the procurement officer determines, in consultation with the requisitioners based on previous experience and project needs, that the deliverables to be procured are required on a recurring basis over an extended period of time. Such contracts facilitate prompt processing of procurement requirements and minimize the number of time-consuming and repetitive solicitations for the same item(s).

220. In its previous reports, the Board has repeatedly highlighted the underutilization of systems contracts (see A/70/5 (Vol. II), chap. II, para. 166; and A/68/5 (Vol. II), chap. II, para. 157). The Board reviewed 295 systems contracts and long-term agreements awarded by the Procurement Division that were valid during the financial year 2015/16. At the time of the audit, 69 of the contracts and agreements had already expired. A review of the utilization of the contracts showed that they had not been utilized to an optimum degree. Of the expired contracts:

(a) 35 (51 per cent) had utilization rates of less than 75 per cent;

(b) 22 (32 per cent) had utilization rates of less than 50 per cent;

(c) 8 (12 per cent) had utilization rates of less than 10 per cent.

221. According to the monthly report of the Regional Procurement Office submitted in June 2016, 21 (48 per cent) of the Office's contracts between 2011 and 2015 had utilization rates of less than 50 per cent and 23 (52 per cent) had utilization rates of more than 50 per cent. The overall contract utilization rate as at 30 June 2016, covering contracts from 2011 to 2016, was 42 per cent.

222. Missions may enter into contracts without having to provide evidence that they have considered using or establishing systems contracts. For example, MONUSCO entered into 248 total procurement contracts for items requested from sections such as the logistics and transport, engineering support and corporate procurement sections. The Board found that the Mission had entered into 137 contracts (55.24 per cent of the total number) without having considered systems contracts.

223. In another example, the Regional Procurement Office had awarded a regional systems contract for two-man tents and other activities on 29 September 2015 with a not-to-exceed value of $357,505.20. UNSOS, one of the participating missions under the contract, had awarded a contract for two-man tents on 24 November 2015 with a not-to-exceed value of $6,560,670. Since the not-to-exceed value was higher than that allowed under the delegated procurement authority, the involvement and consent of Headquarters were required.

224. Currently, neither the use of a systems contract nor confirmation that such a contract has been considered is obligatory in Umoja. Requisitioners may create a shopping cart in Umoja even if the systems contract option has not been considered.

225. Systems contracts can take full effect only when they are optimally used. While specific contracts may achieve better prices at first glance, a comprehensive assessment that takes into account such factors as the costs of solicitations and lack of discounts may lead to a different result. Low utilization rates may also have a negative impact on the confidence of vendors under United Nations contracts and therefore on the reputation of United Nations procurement.

226. The Board is of the view that the reasons that prevent missions from using systems contracts should be evaluated. With respect to the Regional Procurement Office, the Board considers the situation to be even more critical, since the Office was established mainly to consolidate requirements into regional systems contracts.

227. The Department of Field Support stated that the better use of systems contracts had been effectually incorporated into the larger transition of the Logistics Support Division to supply chain management. Supply chain management began with effective strategic planning, demand and source planning and acquisition and delivery planning, all of which would have an impact on systems contracts. Greater visibility of the entire supply chain would maximize the use of existing resources, while increasing the flexibility and agility of the supply chain, including better management of systems contracts. The move towards supply chain management was already under way, and the Division was taking a more analytical approach to systems contracts, from managing existing contracts to establishing new contracts based on supply chain management principles. The Department pointed out that, with technological advances, greater emphasis on fiscal restraint and greater global, regional and mission-level visibility of inventory, there was a tendency to reduce or eliminate acquisitions, resulting in a deviation from the original estimated quantities driving the not-to-exceed figures. While the Department agreed that the use of

systems contracts might appear to be random, it highlighted as an example to the contrary ground transport systems contracts, under which the purchase of vehicles was centrally controlled through the Logistics Support Division.

228. The Procurement Division highlighted the measures taken by the Regional Procurement Office to improve contract utilization. Among other things, the Office held regular videoteleconferences with missions and had developed contract catalogues to keep missions informed about regional systems contracts. Furthermore, by 31 December 2016 the Office planned to share a detailed analysis of regional systems contract utilization by individual mission.

229. **The Board recommends that the Administration encourage missions to use systems contracts whenever feasible.**

230. **The Board recommends that the Regional Procurement Office, in collaboration with the Department of Field Support, examine the reasons that prevent missions from initiating or using regional systems contracts in order to identify improvement measures.**

231. The Department of Management stated that the Regional Procurement Office, in collaboration with the Department of Field Support, would examine the reasons that missions delayed in initiating regional systems contracts and used them only to a limited extent, in order to identify actions for improvement.

Regional Procurement Office in Entebbe

232. The Regional Procurement Office has completed its pilot phase in line with General Assembly resolution 69/273. It is not financed by the support account; its posts are provided by the missions. In its resolution 70/286, the Assembly requested the Secretary-General to make full use of the Office.

Vacancy rate

233. The vacancy rates of the Regional Procurement Office during the years 2011 to 2016 are shown in table II.13. Since 2015, approximately one third of its approved posts have been vacant.

Table II.13
Approved and actual staffing strength of the Regional Procurement Office

Year	*Approved staffing strength*	*Average actual staffing strength*	*Average vacancy rate (percentage)*
2011	24	19.42	19.08
2012	24	23.83	0.71
2013	24	21.25	11.46
2014	24	20.58	14.25
2015	24	16.16	32.67
2016	24	15.5[a]	35.42

Source: Data provided by the Regional Procurement Office.
[a] January-August.

234. Recruitment processes can be lengthy and difficult. However, a high vacancy rate during a certain period may indicate that either the approved staffing must be reduced because of excess capacity or the staff cannot carry out all the tasks assigned to them (e.g., monitoring tender deadlines) to the best of their ability owing to lack of resources.

235. The Procurement Division stated that, despite various efforts that had been undertaken, not all posts had been filled to date; the recruitment processes were ongoing. Since roster-based recruitment processes to fill P-3 and P-4 posts had been unsatisfactory, recruitment to fill specific job vacancies had been launched. The Division was of the view that the posts were needed in order to meet the needs of client missions.

Definition of responsibilities

236. The Board noted that, according to the organization chart of the Procurement Division, similar functions had been assigned to teams of the Field Procurement Service in New York, supporting peacekeeping operations, and to the Regional Procurement Office. For example, both had an engineering team/unit. In addition, while the Office had a Logistics, Supply, Information Technology and Services Unit, those areas were also covered by teams of the Service. However, there had been no formal agreement on how to assign mission-specific contracts that could be concluded by both the Service and the Office.

237. The Field Procurement Service had carried out solicitation on behalf of missions that were also covered by the Regional Procurement Office, for example:

(a) Construction of hardwall buildings in Somalia;

(b) Provision of equipment for waste management for MINUSCA.

The Procurement Division explained that the informal decision taken in that regard had been based on expertise and workload.

238. Missions may freely decide whether to use the services of the Regional Procurement Office. Their delegation of procurement authority was not affected by the establishment of the Office. Missions' chief procurement officers, in collaboration with the Office, are to identify goods and services that are required by all or a number of missions. Furthermore, mission-specific procurement is to be undertaken by the Office at the request of a mission when the mission or the Procurement Division determines that the mission does not have the necessary resources, skills and/or expertise to conduct such an exercise.

239. The Board noted that the missions used the services of the Regional Procurement Office only to a limited extent. Under the revised regional acquisition plan for 2015/16, 10 regional systems contracts and 82 mission-specific contracts had been planned. One of the 10 planned regional systems contracts had been cancelled, and no action had been taken on the other 9.

240. The Procurement Division stated that the decision as to whether to assign work to the Regional Procurement Office rested with individual missions. Their input was essential to determine whether requirements could be consolidated. With regard to similar functions in teams/units, the Division stressed that the units at Headquarters

focused on, among other things, global, strategic and specialized requirements, whereas the Office focused mainly on regional requirements.

241. The Board considers that there is a need to define the responsibilities of the Regional Procurement Office in order to distinguish it more clearly from other Procurement Division teams and mission procurement sections and thereby allow for its full use.

Processing time

242. By means of a compliance monitoring list, the Regional Procurement Office measures the amount of time it takes to process mission-specific contracts and regional systems contracts and its compliance with the timelines agreed upon with the missions in the relevant service-level agreements, as shown in table II.14.

Table II.14
Amount of time needed by the Regional Procurement Office to process mission-specific contracts and regional systems contracts

	No. of completed contracts	*Compliance with service-level agreement processing time*			
		Yes	*No*	*N/A*	*Percentage compliance*
Mission-specific contracts	38	7	25	6	18
Regional systems contracts	5	0	3	2	0

Source: Data provided by the Regional Procurement Office.

243. In several phases of the procurement process, the Regional Procurement Office relies on input provided by the missions, keeping track of the amount of time taken by the requisitioner to formulate a requirement or to issue a technical evaluation report. However, during the period under review, processes carried out by the Office were delayed; for example, commercial valuation took longer than the agreed time frame in 39 per cent of cases (9 out of 23) and the processing of the award took too long in 34 per cent of cases (13 out of 38).

244. The Procurement Division pointed out that the time taken for commercial evaluation differed from case to case. A simple requirement with a straightforward list of items might take only a few days to evaluate, while complex service contracts with multiple price options might take more time. Because of the high number of vacant posts, the work assigned to the Regional Procurement Office had to be shared among a reduced number of staff, who were assigned additional job responsibilities, thus increasing the amount of time taken to carry out some of the required tasks. The Office would put in place close follow-up procedures to reduce the amount of lead time required for the processing of both commercial evaluation and contract awards.

245. Since missions have not yet made full use of the services of the Regional Procurement Office, the Board considers it necessary that the Office reduce the amount of processing time in order to provide better services.

246. **In the light of the high percentage of vacant posts, the Board recommends that the Procurement Division and the Regional Procurement Office analyse the Office's required workforce.**

247. The Procurement Division acknowledged the high vacancy rate.

248. **The Board recommends that the role of the Regional Procurement Office be further defined in order to integrate it into the existing procurement structure (mission procurement sections and the Procurement Division) to allow for full usage of the Office, in accordance with General Assembly resolution 70/286.**

249. The Procurement Division accepted the recommendations. The Office of Central Support Services stated that it was looking into defining the most suitable structure for the Regional Procurement Office to optimize its full usage in accordance with General Assembly resolution 70/286.

11. Human resources

250. Effective workforce management plays a critical role in an organization's ability to achieve its objectives. Organizations need to be able to deploy staff flexibly and measure how effectively they are utilized. The Office of Human Resources Management of the Department of Management is responsible for establishing rules and regulations and providing human resources support to some 41,000 staff across the Secretariat. Staff deployed at peacekeeping operations are administered by the peacekeeping missions and service centres through the delegation of transactional authorities and under the overall responsibility, oversight and guidance of the Field Personnel Division of the Department of Field Support. In addition, the Executive Office, as a shared capacity of the Department of Peacekeeping Operations and the Department of Field Support, is responsible for providing support to the staff of those two departments.

Civilian staffing reviews

251. The General Assembly, in its resolution 66/264, underlined the importance of the Secretary-General comprehensively reviewing the civilian staffing requirements for each peacekeeping mission, with particular attention to the feasibility of nationalizing Field Service posts and improving the ratio of substantive to support staff. The objective should be to ensure that the civilian staffing structure is appropriate for the effective implementation of a mission's current mandate and that it reflects staffing best practices across missions.

252. The Department of Peacekeeping Operations and the Department of Field Support established a steering committee that has guided 17 civilian staffing reviews over the past four years. The review teams have examined whether the structure of each mission supports its mandate and strategy. They have also analysed whether roles are redundant and could be delivered by other means. The reports on the reviews have contained recommendations, including on nationalizing posts and reducing or increasing the number of posts. The missions in question have then been requested to implement those recommendations in the coming years.

253. The first 14 civilian staffing reviews, completed as at 31 December 2015, resulted in the recommendations that 1,818 positions be abolished and 597 positions

be nationalized (see A/71/323, annex). At the meeting of the civilian staffing review steering committee held in February 2016, the nationalization of posts was identified as difficult. Furthermore, it was pointed out that clearer guidance was needed during the review implementation phase.

254. The Field Personnel Division tracks the recommendations resulting from the civilian staffing reviews through its regional desks, monitoring their implementation through the budget review process in close coordination with the Field Budget and Finance Division of the Department of Field Support. As other considerations may affect the budgeting process, such as mandate implementation and operational needs, the Division explained that some recommendations might not be exactly translated into a mission's budget proposal. However, missions were advised to conduct staffing reviews in advance of budget preparation on the basis of the Division's guidelines and the methodology used for the reviews. Recommendations leading to the abolishment or nationalization of posts were easy to track, whereas structural changes (such as the realignment of sections and pillars) were more difficult to track. So far, the steering committee had considered lessons learned and made improvements to the methodology and process used for the reviews. After the completion of the last review in 2017, the Administration would determine the way forward.

255. The Board regards as important the task of ensuring that the civilian staffing structure of a mission is appropriate for the effective implementation of the mission's mandate. Furthermore, it is of the view that the civilian staffing review, as an instrument for assessing mission staffing structures, should be evaluated in order to determine the best way forward. In particular, it should be analysed whether the objectives of the review were achieved or whether some were ultimately too challenging.

256. While the Administration agrees that a full evaluation of the civilian staffing review might be useful, it highlights significant resource constraints, such as funding and internal priorities. The Field Personnel Division plans to request assistance from the Policy, Evaluation and Training Division with respect to an after-action review of the civilian staffing review process and methodology, subject to their priorities. In addition, the evolving nature of missions makes it challenging to assess the impact of the implementation of recommendations, since the results are influenced by external factors. Nevertheless, the Administration has developed national recruitment guidelines as a lesson learned and is in the process of developing guidelines on the nationalization of posts for all field missions in order to assist them in allowing for a more streamlined and structured review of their workforces in terms of this issue, which is of great importance to the Department of Field Support and mandated by the Member States.

257. **The Board recommends that the Administration evaluate the civilian staffing reviews as an instrument for assessing the staffing structure of missions to determine the way forward.**

Consultants and individual contractors

258. The administrative instruction on consultants and individual contractors (ST/AI/2013/4) sets out the provisions applicable to individual contracts that are issued to consultants and individual contractors. It defines a consultant as an

individual who is a recognized authority or specialist in a specific field, engaged by the United Nations under a temporary contract in an advisory or consultative capacity to the Secretariat. A consultant must have special skills or knowledge not normally possessed by the regular staff of the Organization. An individual contractor is an individual engaged by the Organization from time to time under a temporary contract to provide expertise, skills or knowledge for the performance of a specific task or a piece of work. The work assignment may involve functions similar to those of staff.

259. Terms of reference for contracting are mandatory and shall include tangible and measurable outputs, objectives and targets of the work assignment, as well as specific activities to achieve the required outputs and targets, and specific delivery dates and details as to how the work must be delivered.[6]

260. No consultant shall provide services for more than 24 months in a 36-month period. The services of an individual contractor shall be limited to 6 or, in special circumstances, 9 work-months in any period of 12 consecutive months.[7]

261. For selection, rosters of consultants and individual contractors should be utilized where available. When the services in question are needed for more than six months, an opening shall be posted in the electronic platform provided for that purpose for a minimum of seven working days by the relevant department, office or mission.

262. In its resolution 70/287, the General Assembly reaffirmed that the use of external consultants should be kept to an absolute minimum. It stressed the need for using the in-house capacity of the Organization to perform core activities or to fulfil functions that were recurrent over the long term. The Advisory Committee on Administrative and Budgetary Questions regularly questions the need to engage consultants and has pointed out that, for specific contexts, in-house expertise should be used, for example, for archiving records and ensuring their security (see A/70/837, paras. 58, 76, 78, 87 and 94). In its previous report, the Board highlighted that the performance of consultants had not been evaluated (see A/70/5 (Vol. II), chap. II, para. 205).

263. The Board noted that both missions and Headquarters often engaged consultants and individual contractors. The requirements for consultants had increased. The 2014/15 expenditure had amounted to $3.5 million. In 2015/16, an amount of $6.0 million had been approved. For 2016/17, a total of $6.1 million was proposed.

264. For the financial year 2015/16, 15 missions and the Global Service Centre had concluded 18,317 contracts with consultants and individual contractors (initial contracts and extensions).[8] The data in question showed that the majority of contracts had been extended repeatedly. For example, out of 94 MINURSO cases, only 9 referred to one person each; the remaining 85 covered between two and six contracts/extensions with the same person.

[6] See ST/AI/2013/4, sect. 3.1-3.6.

[7] Ibid., sect. 5.7-5.9.

[8] Data provided by the Field Personnel Division.

265. The Board reviewed the engagement of consultants at missions and detected the following deficiencies:

(a) No roster for the selection process was maintained;

(b) The required minimum of three candidates were not considered;

(c) For services needed for more than six months, no openings were posted on an electronic platform for a minimum of seven working days;

(d) The requirement for the consultant/individual contractor was insufficiently described, in particular why the services were needed, why staff did not possess the needed skills/knowledge/capacity, the temporary nature of the contract and the duration of the project, including milestones;

(e) Consultants supported core functions;

(f) A signed contract was not available;

(g) Terms of reference were not attached or did not include measurable, results-based and time-bound outputs/milestones;

(h) Relevant documents, such as curricula vitae, were not available;

(i) Individual contractors' contracts exceeded the maximum duration;

(j) Fees did not correspond to the skills of individual contractors and the level of work required;

(k) Performance was not evaluated or was evaluated late or in general terms.

266. Missions use the templates set out in annexes IV and V to ST/AI/2013/4. While the terms of reference should describe essential elements of the work to be delivered (measurable outputs, the objectives and targets of the work assignment and delivery dates), the templates provide only a box to be filled in; the minimum requirements of the terms of reference (including milestones and deadlines) are not requested from the requisitioners.

267. The Board considers that compliance with ST/AI/2013/4 needs to be strengthened. It is of the view that missions must describe in greater detail and more realistically work assignments requiring the services of consultants or individual contractors. To avoid unnecessary costs, missions should examine whether staff can carry out the needed functions; if they do not possess the required skills/knowledge to carry out core functions, a clear strategy must be developed and implemented for a long-term solution. The same applies to cases in which staff members do not have the capacity to carry out the functions of individual contractors who are needed on a recurrent basis over the long term. If the services of consultants/individual contractors are necessary, specific, measurable, attainable, results-based and time-bound outputs and functions must be described and milestones established. A competitive selection procedure must be assured. Finally, performance must be evaluated.

268. The Administration stated that it considered that ST/AI/2013/4 set out clear provisions governing the employment of individual contractors or consultants. Missions were required to ensure that those provisions were strictly adhered to, including as regards the purpose of employment and the verification that no relevant

expertise or capacity was available in-house. The Administration pointed out that the management of individual contractors and consultants had been delegated to missions, with a few exceptions (the level of remuneration provided for most senior functions, and the granting of exceptions with respect to the maximum durations). It considered that, in most cases, the needs were very specific or time-bound in that they did not require a long-term investment on the part of the Secretariat. In the coming year, the Department of Field Support would, in coordination with the Department of Management, focus on the roll-out of the Inspira consulting/individual contractor module, as well as the capacity-building of missions. The Department of Field Support would also define the criteria for monitoring and key performance indicators in this area.

269. The Board is of the view that, while ST/AI/2013/4 sets out relevant provisions, in practice the employment of individual contractors and consultants continues to show weaknesses. In error-prone areas, the Administration should provide further support to missions. Criteria for monitoring and key performance indicators in this area as well as capacity-building, as planned by the Department of Field Support, may be helpful in addressing those weaknesses.

270. **The Board recommends that the Administration support missions in determining whether the engagement of external consultants/individual contractors is required or whether the relevant expertise/capacity is available within the Organization. In the event that in-house capacity cannot carry out core functions, the Administration and missions should develop and implement a strategy for a long-term solution.**

271. **The Board recommends that the Administration require missions to describe projects that require consultants/individual contractors in greater detail and more realistically. In particular, they should outline specific, measurable, attainable, results-based and time-bound outputs and functions and should establish milestones and evaluate performance.**

Temporary duty assignments

272. Missions and Headquarters make use of temporary duty assignments and loans of staff members from Headquarters and other missions for periods not to exceed 90 days. In instructions dated 24 February 2015, the Field Personnel Division clarified that the purpose of temporary duty assignments was to provide the receiving mission with highly qualified and experienced staff to meet urgent support requirements at the start-up, expansion, liquidation or other limited periods for activities that require urgent, time-bound, temporary surge capacity. The staff members are on official travel assignments, and the releasing missions continue to pay their salaries. Missions are requested to submit to the Division on a monthly basis a list of temporary duty assignments received and released. In his report entitled "Overview of human resources management reform: towards a global, dynamic, adaptable and engaged workforce for the United Nations" (A/71/323), the Secretary-General proposed to expand the maximum duration of temporary duty assignments to six months to meet requirements directly linked to a mission start-up or expansion due to crisis situations.

273. The Field Personnel Division analysed temporary duty assignments at missions in East and Central Africa during the financial year 2014/15. The analysis

showed that 112 staff members had been released by missions and 148 staff members had been received. The receiving missions had spent $1.2 million on travel costs and daily subsistence allowance; the releasing missions had spent $1.4 million on gross salary.

274. Comprehensive information about temporary duty assignments and the associated costs was not available during the audit. So far, the Field Personnel Division has an overview of the numbers of temporary duty assignments at all missions and is analysing data regarding missions in East and Central Africa. This includes data on the numbers of staff received and released, the categories of those staff, the durations of their assignments, costs and functional areas. The Executive Office has only limited information about staff on temporary duty assignments received by Headquarters. At the missions, the information about temporary duty assignments received was incomplete, in particular with regard to the staff received.

275. The Board noted that the justifications of temporary duty assignments were not always convincing. For example, a staff member from a mission had been lent to a service centre to support its reorganization, and a procurement officer from a service centre had been lent to Headquarters. In neither case was it clear why the temporary assignment had been the most efficient and cost-effective solution.

276. While the Board agrees that temporary duty assignments can be helpful in critical situations, in particular the mission start-up or liquidation phase, it is of the view that such assignments should be limited to those exceptional situations. In addition, the associated costs should be taken into account in the consideration of such assignments.

277. The Department of Field Support stated that temporary duty assignments were not recorded in the staffing management tool, since the staff in question were deemed to be on official travel. Therefore, the recording of such assignments was not systematic, but had to be done manually by missions (which were requested to regularly provide such information to the Department). The Administration also stated that the monitoring of temporary duty assignments had been challenging. Notwithstanding the combined efforts of missions and Headquarters, the compilation of data, in particular regarding costs, had not been all-inclusive.

278. In order to remedy that situation, and in the context of its intensified focus on monitoring and guidance, the Department of Field Support had included temporary duty assignments in the list of indicators monitored in the context of the global human resources performance and accountability framework. The framework included a checklist to be regularly reviewed by the mission desk and regional chiefs, which should result in a structured, proactive and ongoing monitoring scheme, reviewed through the field analytics workspace. Such monitoring was not limited to the duration and cost of temporary duty assignments, but also encompassed ensuring that the purposes of the assignments met the established criteria. The action taken did not include temporary duty assignments at Headquarters, which were monitored by the Executive Office.

279. The Board acknowledges the steps taken by the Department of Field Support to monitor temporary duty assignments despite the challenges in that regard, and encourages the Administration to continue to compile all-inclusive data.

280. **The Board recommends that the Administration continue its efforts to monitor the use of temporary duty assignments received and released from/to Headquarters and missions and compile complete data, including the associated costs.**

Staff performance evaluation and salary increments

281. According to section 2 of the administrative instruction on the Performance Management and Development System (ST/AI/2010/5 and Corr.1), the purpose of the System is to optimize performance at all levels. An electronic application (e-PAS,[9] or e-performance) captures main stages of the staff performance process, including the workplan, the midpoint review and the end-of-year performance appraisal.

282. The performance evaluation is the basis for salary increments (see staff rule 3.3 of the Staff Regulations and Rules of the United Nations (ST/SGB/2017/1)). Pursuant to section 16 of ST/AI/2010/5 and Corr.1, the decision to award or withhold a salary increment on the basis of performance shall be made by the second reporting officer, based on the rating awarded by the first reporting officer as reflected in the e-PAS or e-performance document. In its previous report, the Board identified deficiencies in missions' staff appraisal (see A/70/5 (Vol. II), chap. II, para. 207).

283. The Board reviewed performance appraisals and noted that there was still room for improvement. At UNMIL, the Board reviewed e-performance data extracted from the HR Insight system for three years, from 2013/14 to 2015/16. The review showed that significant numbers of staff had not completed the required e-performance information in the system during those years:

(a) In 2013/14, 188 of 1,299 staff members (8.31 per cent);

(b) In 2014/15, 139 of 1,240 staff members (11.21 per cent);

(c) In 2015/16, 106 of 1,122 staff members (9.45 per cent).

At UNSOS, 76 staff members had not completed the required e-performance information in 2015/16.

284. At MONUSCO, performance appraisals for 331 of 3,487 (9.5 per cent) staff members had not been completed for 2015/16. The Board noted that 410 national staff members had been recommended for annual salary increments as from 1 July 2016; however, the performance appraisals of 9 of them had not been completed for the year ended 30 June 2016. Furthermore, although 322 international staff members had received salary increments, their performance appraisals had not been completed for the year under review. Salary increments for international staff were being effected in Umoja without considering staff appraisals.

285. At UNFICYP, out of the total of 144 civilian staff expected to complete their performance appraisals for 2015/16, only 126 (106 national and 20 international staff) (88 per cent) had completed them. The Board also found that 35 per cent of international staff and 6 per cent of national staff had not submitted their

[9] Electronic performance appraisal system

performance appraisal reports. No reason for the lower rate of submission of performance appraisal reports was found on record.

286. The Board is of the view that salary increments should depend on the satisfactory performance and conduct of staff members as determined by their supervisors. Owing to the absence of an interface between e-PAS and Umoja, manual controls are necessary to prevent the granting of salary increments directly to staff through Umoja without prior performance appraisals.

287. The Office of Human Resources Management stated that it was in the process of establishing a procedure for ensuring that staff members who lacked a performance rating or had been given a poor one would not automatically receive a within-grade increment. The procedure was likely to involve interfacing with Umoja and Inspira and would involve primarily human resources managers as well as first and second reporting officers. The process would take into account relevant United Nations staff rules and policies.

288. **The Board recommends that the Administration examine whether an interface between e-PAS and Umoja can be established at a reasonable cost to ensure that the processing of salary increments for staff is linked to e-PAS. In the meantime, the Administration should ensure that staff appraisals are completed in line with performance management and policy and that those salary increments are given on the basis of satisfactory performance as documented in e-PAS.**

289. The Department of Field Support stated that the missions had taken actions to address these weaknesses.

Registry of files

290. Personnel files for international staff are kept as hard-copy documents. The files were formerly stored at Headquarters. Owing to a lack of storage space, the relocation of the registry became necessary. During the relocation, missions were requested not to send documents to the registry.

291. Since the roll-out of Umoja Extension 1, international staff files have been administered by Headquarters. However, the Field Personnel Division explained that the hard-copy files in New York that were under its purview remained incomplete, because some documents continued to be stored at missions and th Regional Service Centre in Entebbe.

292. The Board considers that it is important that personnel files be complete and registered in one place. Owing to the insecure environment of missions, it is preferable that the registry be centralized at Headquarters.

293. The Department of Field Support stated that in November 2015 it had requested that all missions ensure that all official documents relating to official personnel status files were submitted to the registry at Headquarters for safekeeping. Unfortunately, the communication had not received a sufficient response. A new campaign had been launched in November 2016, and each mission would be contacted directly in December 2016 to actively follow up on the requirement. Meanwhile, the Department of Field Support was exploring the use of enterprise systems and electronic records to meet the requirements of the relevant policies in the future.

294. **The Board recommends that the Administration ensure that the complete personnel files of international staff are registered in one location or within one system, managed by Headquarters, and explore the possibility of establishing a registry with digitized staff personnel files.**

295. The Administration stated that it had updated and disseminated guidance on records management, would undertake a review of information management capacities at missions in 2017 and had coordinated with the Department of Management for the planning and implementation of an Organization-wide enterprise records management programme. The Department of Field Support indicated that the registry of staff personnel files was being updated following its relocation, which had suspended the registry's operations. The target date for the implementation of the recommendation was the fourth quarter of 2017.

12. Information and communications technology

Business continuity plans and disaster recovery plans

296. The General Assembly, in its resolution 70/286, noted ongoing efforts to ensure that both business continuity plans and disaster recovery plans were in place in all peacekeeping missions within a defined time frame, and requested the Secretary-General to continue to implement network intrusion detection and incident management software covering all missions and to continue to undertake information security awareness efforts in all missions and departments.

297. In its strategic Guidance for the field on ICT for 2015/16, the Department of Field Support stated that operational resilience continued to be an area of focus. The Department had taken part in a Secretariat-wide disaster recovery assessment and planning exercise. In order to comply with that broad effort and meet their own internal requirements for operational resilience, mission ICT sections must have proper disaster recovery plans in place before the financial year 2015/16. In addition, each mission must conduct a disaster recovery exercise twice a year to verify its disaster recovery plan and evaluate the plan's maturity level. Each mission must also ensure coordination between its business continuity plan and its organizational resilience plan.

298. The Board assessed the availability of disaster recovery plans and business continuity plans at several missions. It observed that some missions had not yet drafted a business continuity plan or a disaster recovery plan, and others had yet to approve such plans. MINUSMA had drafted a disaster recovery plan, which had been updated in May 2016 but had not been approved by its headquarters. A business continuity plan was not available.

299. MONUSCO had drafted a disaster recovery plan in 2016, but the plan had not been approved or distributed to staff to raise their awareness. In addition, the plan had not been tested as required by the strategic guidance for the field on ICT for 2015/16, and there was no evidence of efforts to coordinate it with the Mission's business continuity plan.

300. UNDOF had not finalized a business continuity plan or a disaster recovery plan. The staff responsible for disaster recovery and business continuity had not received any training, and the mission could not identify or establish the role of a business continuity plan/disaster recovery plan coordinator.

Information and communications technology security awareness

301. The Office of Information and Communications Technology at Headquarters and the Information and Communications Technology Division of the Department of Field Support had developed a global United Nations information security awareness course. Completion of the course was mandatory for all United Nations personnel using ICT resources. According to an instruction issued by the Division on 10 September 2015, all staff of the Department of Peacekeeping Operations and the Department of Field Support had to complete the course by 30 June 2016. New United Nations personnel had to complete the course within the first three months of their service.

302. The Board noted that at UNMIK, 231 of the Mission's 309 international and national staff (75 per cent) had completed the mandatory information security awareness course as at 18 August 2016. At UNAMID, 44 per cent of the staff had completed the course as at 17 August 2016.

303. **The Board recommends that the Administration remind missions of the requirement for business continuity plans and disaster recovery plans and for information and communications security awareness.**

304. The Department of Field Support stated that it had requested the heads of peacekeeping operations to ensure that their staff completed the mandatory information security awareness course. The missions were taking action to implement the recommendation.

Data wipe

305. To ensure data protection and confidentiality, hard drives must be wiped before they are disposed of. The Office of Information and Communications Technology guidelines on information media sanitization recommend the use of a special wiping tool. UNAMID did not follow that recommendation and used an operating system program that did not wipe the data, but rather the information indicating where the data were stored on the hard drive. With a specific tool, the data could be easily retrieved. UNAMID did not document the wiping of hard disks as required by industrial standards. The Mission stated that it would initiate the procurement of a professional tool for wiping hard drives. In addition, it would issue a procedure for documenting the wiping of hard drives in a traceable manner and would ensure that responsible staff certified the accuracy of the wiping process.

Data centres

306. The Board observed weaknesses at data centres, server rooms and offsite backup locations and other facilities housing critical ICT resources. This was the case at UNAMID, MINUSMA, MONUSCO, UNDOF, UNSOS and UNISFA. Some of the facilities were not secured with defined security perimeters or entry controls such as door access cards or biometric readers, as required by the technical procedure for data centre access for the United Nations Secretariat. Furthermore, the surrounding facilities and the facility rooms were not protected with surveillance cameras as required by the policy. At UNAMID, the Board noted large amounts of combustible materials stored inside facilities. A fire suppression system was not available, and fire extinguishers either had not been installed, had been installed in

the wrong location or had not been inspected on a regular basis. Access protocols had not been set up. At UNISFA, server rooms and backup sites were not secured with security perimeters or entry controls such as door access cards or biometric readers. The surrounding facilities and the facility room were not protected by surveillance cameras. Some locations for the warehousing of critical data and ICT assets were not protected against fire, flood, earthquake or explosion. Moreover, at some facilities there were no fire alarms, fire suppression systems, smoke detectors or lightning protection systems. Where fire extinguishers were installed, they were mounted in the wrong position or had expired or no inspection records were available.

Inappropriate storage of information and communications technology equipment

307. The Board noted that since 2011, UNISFA had stored 763 items of electronic, data processing and telecommunications assets, valued at $2.7 million, in containers on a cement floor in a waterlogged area. The foundation had sunk as a result of the wet conditions, and a drainage system had not been constructed.

308. The mission stated that it was experiencing difficulty in finding sufficient space at its headquarters for the construction of a central warehouse in which the assets could be stored more safely. As the engineering groundwork for such a structure was in progress, however, the mission expected that shelves would be available for that purpose once it had been completed.

309. **The Board recommends that the Administration remind missions about the appropriate storage of information and communications technology equipment.**

310. The Department of Field Support concurred with the recommendation.

13. Medical services

311. The availability of timely and effective medical services is important for the operational preparedness of peacekeeping missions. The original budget appropriation for medical services for peacekeeping in 2015/16 was $47.1 million, and expenditure totalled $30.4 million (65 per cent). The Board reviewed the provision of medical services at missions and identified areas for improvement at MINUSCA, UNMIL, UNISFA, MONUSCO, MINURSO, UNFICYP and UNMIK.

Medical service requirements, medical plans and training

312. At MINUSCA, level I and level II hospitals are operated by the troop-contributing countries. The Board noted that, according to internal reports of the Medical Support Section, not all of the medical units deployed at missions by troop-contributing countries met medical service requirements, owing to lack of drugs and consumables, lack of experienced personnel (especially personnel with knowledge about endemic diseases) or lack of doctors. The Mission had asked the Director of the Logistics Support Division of the Department of Field Support to request support from and engage in liaison with the permanent missions of troop-contributing countries to ensure comprehensive predeployment training of troops. Accordingly, the Director requested the permanent missions to ensure the conduct of predeployment health training programmes to raise awareness of the health threats at MINUSCA.

313. MINURSO has a level I Medical Unit. The criteria for a level I medical unit are that it be capable of providing treatment to 20 ambulatory patients per day, have a temporary holding capacity of 5 patients for up to 2 days and be able to keep medical supplies and consumables for 60 days. The Board observed that only two beds had been provided in the Unit's emergency room, whereas five were required. MINURSO replied that since it had never had five emergency cases at the same time, the emergency room was equipped with two beds and the other three were kept in the storage area. The Mission added that only two beds could be accommodated in the emergency room. The Board is of the view that, because MINURSO does not have enough beds in its emergency room to care for more than two persons at a time, as required by the above-mentioned criteria, its preparedness for an emergency situation is compromised.

Medical supplies

314. At UNMIL, the Board noted delays of between 73 and 270 days in the delivery of medical supplies in relation to 5 of the 10 purchase orders it reviewed. The delays were attributed mainly to the Mission's failure to process in a timely manner a licence to import narcotic drugs.

Table II.15
Examples of delivery delays during the financial year 2015/16

Generic name	*Shortage period*	*Remarks*
Bisacodyl tablets (5 mg)	November 2015-July 2016	Expired, late delivery
Rabies vaccines	April-June 2016	Delivery delays
Tetanus antitoxin	January-July 2016	Delivery delays
Hydrochlorothiazide tablets (25 mg)	February-May 2016	Delivery delays
Diclofenac gel (1 per cent)	October 2015-June 2016	Delivery delays
Ribavirin tablets (200 mg)	July 2015-April 2016	Lassa fever outbreak

Source: Pharmacy warehouse stock, 2015/16.

315. During the shortage period, UNMIL had taken a number of remedial actions, including the temporary borrowing of drugs from the World Health Organization and a local hospital. The drugs borrowed had included rabies vaccines from other United Nations agencies with a presence in Liberia. UNMIL explained that its Medical and Procurement Sections had already established a mechanism for facilitating the timely delivery of drugs. The two Sections had agreed to hold periodic meetings between the Pharmacy Unit and the responsible buyer from the Procurement Section. It had also been agreed that the Chiefs of the two Sections would meet to review the process every three months or more frequently, as required. However, the Mission provided no evidence that those measures had been taken.

316. At the MINURSO Medical Unit, drugs were supplied and stored by the troop-contributing country. Six purchase orders, including one freight purchase order, with a total value of $100,659 had been issued by MINURSO in 2015/16 for the purchase of medical kits. In examining the six purchase orders, the Board observed that the goods in question had been received after delays ranging from two days to four months. MINURSO replied that the delays had been due to various factors, including faulty coordination among the vendor, the freight forwarder, the local authority and the Mission; the self-accounting unit requirement of an extended shelf life; and a delay in the receipt of the necessary duty-free import document from the Ministry of Foreign Affairs of Morocco. The Board noted that the Mission's reply referred to factors that were common to all purchase orders and that MINURSO should have considered them before placing the orders and finalizing the delivery dates.

Cold-chain products/vaccines

317. Specific cold-chain products/vaccines must be stored in a cold-chain infrastructure (refrigerator) that maintains a temperature of between 2 and 8 degrees Celsius. At UNISFA, the Board found that the refrigerator used to store vaccines was not efficient enough to maintain the recommended temperature. For example, of the 5,911 readings on the temperature log kept in the refrigerator from June to August 2016, 2,950 (49.9 per cent) recorded temperatures of below 2 degrees or above 8 degrees Celsius. These comprised 399 readings of below 2 degrees Celsius (ranging from 0.7 to 1.9 degrees) and 2,551 readings of above 8 degrees Celsius (ranging from 8.1 to 18.4 degrees). UNISFA stated that the fluctuations in temperature were attributable to the degree of accuracy of the log, which was plus or minus 0.5 degrees Celsius.

Expired drugs

318. As of June 2016, UNMIK held 61 items of expired drugs that were awaiting disposal. In addition, the Mission's medical equipment records showed that 17 items of equipment had exceeded their life expectancy but were still in use.

319. The Board views with concern the weaknesses mentioned above, especially because they could have an impact on the health and well-being of personnel. Missions should be able to provide effective medical services. The weaknesses were cited in the relevant missions' management letters. The Board urges the Administration to monitor the missions to ensure that they meet their responsibilities.

Write-off of medicines

320. At UNFICYP, the write-off of medicines increased significantly in 2016, as shown in table II.16.

Table II.16
Amount of medicines written off, 2013-2016

Year	*2013*	*2014*	*2015*	*2016*
Amount (United States dollars)	2 034	2 934	5 462	44 818

Source: Mission data.

321. The Force Medical Officer, upon analysing the higher rate of the disposal of inventory, cited many reasons for it. The Board noted that paragraph 6.2.4 ("Medicines") of the standard operating procedure relating to managing drugs at the mission level stated that, as a rule, missions should place their orders for drugs when stocks reached the minimum stock level, which was determined on the basis of the actual consumption rate of the item at the mission and set at a 90-day stock holding level. The Officer's analysis determined that that instruction had not been followed, which had resulted in a huge accumulation of expired medicines. Moreover, peacekeepers were rotated on a regular basis at missions. The provisioning of medicines should be carried out with all these factors in mind.

322. The Department of Field Support stated that the write-off of medicines had significantly increased in 2016 because most contingents had arrived at the mission area with their own medical stocks.

323. The Board expressed its opinion that the Force should consider all of these factors before deciding on the stock levels of the medicines to be kept in storage.

324. **The Board recommends that the Administration remind missions on a half-yearly basis to store vaccines and other cold-chain products as required at all times.**

14. Environmental management and waste management

325. The Advisory Committee on Administrative and Budgetary Questions, in its report of 20 April 2016 (A/70/742), recalled the request made by the General Assembly in its resolution 69/307 that the Secretary-General continue his efforts to reduce the overall environmental footprint of each peacekeeping mission. The Department of Field Support and the Department of Peacekeeping Operations jointly issued the environmental policy for United Nations field missions on 1 June 2009.

326. Both Departments also issued the United Nations Infantry Battalion Manual, Volume I and Volume II, which is a guide for commanders and their staff at peacekeeping operations, as well as for Member States, Headquarters military personnel and other planners. The Office of Military Affairs informed the Board that the Manual would be updated in 2017.

Environmental policy

327. The environmental policy for United Nations field missions, issued in 2009 by the Department of Peacekeeping Operations and the Department of Field Support, requires that each field mission establish its own environmental policy, objectives and control measures, which are to be implemented during all phases of the mission. Paragraph 14 of the policy mandates the Special Representative of the Secretary-General for each field mission to promulgate the mission's environmental policy and objectives, noting the basic components and the information provided in the environmental guidelines.

328. The Board noted that MINURSO and UNDOF had not formulated a mission-specific environmental policy or objectives for the proper handling of environmental issues. The Board also noted that UNFICYP had formulated its environmental policy in the form of a standard operating procedure for

environmental compliance management at the mission. However, the policy lacked many important provisions. The Force had confirmed the audit issue and stated that revisions based on audit suggestions had been incorporated into the draft environmental policy, which was being reviewed by the Chief of Mission Support.

329. **The Board recommends that missions formulate and finalize a mission-specific environmental policy without delay.**

330. The Department of Field Support stated that the target date for the implementation of the recommendation is the third quarter of 2017.

Field missions' environmental officers

331. The environmental policy for United Nations field missions requires that each mission appoint an environmental officer who reports to the Director of Mission Support or the Chief of Mission Support. The environmental officer must coordinate and manage actions to address environmental issues at the mission.

332. The Board noted that in 12 out of 17 missions,[10] the posts of environmental officers were occupied. Such posts were vacant at UNDOF, UNFICYP, UNISFA, UNMOGIP and UNTSO.

333. The Department of Field Support clarified that, since recruitment to fill posts up to the D-1 level had been delegated to field missions, its role was to provide staffing support services. This included building strong rosters, supporting missions in the development of recruitment strategies, and monitoring the proper implementation of the delegated authorities in terms of both policy and process. In that context, the Department would assist the missions concerned in filling their environmental officer vacancies, as the posts had been approved in their staffing tables. In addition, the Department was working to create a dedicated roster for environmental officers at the P-4 level as soon as a vacancy arose, in order to speed up the process of their recruitment at missions. The Department would support missions that had environmental officer vacancies at the P-3 level with position-specific job openings, since very few such posts currently existed.

334. The Department of Field Support also stated that UNISFA had included the establishment of an Environmental Unit in its budget proposal for 2017/18 and that UNDOF would include the establishment of a post of Environmental Officer in its additional budget request for 2016/17. While there was no proposal to hire a dedicated environmental officer at UNFICYP, the mission had taken action to implement the environmental policy. UNTSO and UNMOGIP were small missions that had small staffing tables and relatively smaller environmental impacts than larger missions. Both, however, had appointed environmental focal points, with whom the Department's Environment Section worked on a regular basis.

335. **The Board recommends that the Department of Field Support remind missions to fill vacant Environmental Officer posts.**

[10] Including UNMOGIP and UNTSO, both of which are financed from the regular budget (Vol. I). Since the same environmental rules and regulations apply to these missions, they are included in the following sections.

336. The Department of Field Support concurred in principle with the recommendation and stated that the target date for its implementation is the fourth quarter of 2017.

Field missions' environmental action plans

337. In paragraph 25 of the environmental policy, it is stated that environmental officers are to create an environmental action plan based on the mission's environmental objectives in which specific achievable, realistic and timely targets for environmental protection measures and actions to be undertaken are detailed. Responsibilities for achieving each specific target are to be clearly stated in the plan.

338. The Board noted that 3[11] out of 17 missions still had no environmental action plan. Six environmental action plans needed to be updated by the missions to a 2016/17 version, and five[12] needed to be formally approved by the missions' management.

339. The Board also noted that each peacekeeping mission was using its own design for its environmental action plan because no template had been provided by the Department of Field Support.

340. **The Board recommends that the Department of Field Support provide missions with a template for a mission-wide environmental action plan to ensure harmonization across missions, and that all missions promulgate updated mission-wide environmental action plans.**

341. The Department of Field Support concurs in principle with the recommendation and stated that it was in the process of drafting a template for a mission-wide environmental action plan, which would essentially have four parts:

(a) Signature page, representing the mission-wide consultation that is required and the co-ownership of the mission-wide environmental action plan commitments;

(b) Scorecard information tailored to the mission, including a comparative ranking across all missions and a historical record of past results; owing to a failure to collect current data, this will not be expected to be achieved during the first two years;

(c) Assessment indicators, including performance indicators for the previous financial year and process indicators measured during the present time/current financial year;

(d) Action plan table, with activities listed under each of the five pillars of the environmental strategy of the Department of Field Support, including schedule, resources, technical assistance needs and responsibilities.

342. Furthermore, the Department of Field Support stated that, starting in the 2017/18 financial year, the implementation of the mission-wide environmental action plan would be included as a standard output in each mission's results-based-

[11] MINURSO, UNDOF and UNMOGIP.
[12] The plans of UNFICYP, UNMIK, MINURSO, UNDOF and UNMOGIP.

budgeting framework. The mission's overall score in the Department's environmental performance management system (global scorecard), once available, would be included in the core set of results-based-budgeting indicators of achievement.

343. In addition, the Department of Field Support indicated that, on 1 December 2016, it had provided peacekeeping operations with a pilot template for the mission-wide environmental action plan.

Non-receipt of technical assistance from the United Nations Environment Programme for reducing environmental footprint

344. Under the administrative arrangement between UNEP and the Department of Field Support, UNEP was to provide technical assistance to each peacekeeping mission for three years in reducing the mission's environmental footprint, by providing expertise in environmental management systems; greenhouse gas emissions reporting; field logistics, procurement and systems contracts; solar power; energy efficiency; management of solid waste (including hazardous waste); and water and wastewater.

345. Board noted that UNEP had not provided any assistance to MINURSO, UNDOF or UNMIK, although payment had been made to UNEP for that purpose.

346. The Department of Field Support stated that UNEP had reviewed the budget submissions for MINURSO, UNDOF and UNMIK from a technical perspective. The Department also clarified that "individualized" technical assistance would be available to missions as part of its partnership with UNEP, prioritized on a case-by-case basis. However, each mission would not receive individualized advice each year. The partnership's funding for the project came from mission budgets, and the duration of the project was three and a half years, from 1 June 2016 to 30 November 2019.

347. The Department of Field Support also indicated that the Rapid Environment and Climate Technical Assistance Facility (REACT) had strengthened the technical assistance capacity of the Engineering Standardization and Design Centre of the Global Service Centre in the area of environmental engineering. Once at full capacity, technical assistance would be provided on the ground in relation to energy, water and wastewater, solid waste and the environmental management system.

348. **The Board recommends that, to reduce their environmental footprint, the missions coordinate with the Global Service Centre and the Environment Section of the Department of Field Support to receive mission-specific technical assistance, when required and within the parameters of available resources, from UNEP and REACT.**

349. The Department of Field Support stated that the actions to implement the recommendation were planned for the second quarter of 2017 and thereafter and would be ongoing.

Environmental focal points within military components

350. The Board reviewed whether the commanders of the 17 missions had appointed an environmental focal point within their military components.

351. According to paragraph 26 of the environmental policy, the Force Commander will appoint an official of the Force to serve as the focal point within the military component of the mission to liaise with the Environmental Officer and to deal with environmental issues within the military component. According to paragraph 40.6 of the waste management policy, the head of the military component shall direct that each military headquarters and each formed contingent designate a focal point for waste management; for efficiency and effectiveness, it is preferable that the designated waste management focal point also be the appointed environmental focal point as required by the environmental policy for United Nations field missions. And according to paragraph 2.28 of the United Nations Infantry Battalion Manual, Volume I, the Force Commander appoints a military officer to serve as the (military) environmental focal point within the military component to liaise with the (civilian) mission environmental officer.

352. The Board noted that field missions were responsible for determining whether all relevant units had appointed such officers. It also noted that the Department of Peacekeeping Operations and the Department of Field Support did not monitor whether mission commanders complied with paragraph 26 of the environmental policy, paragraph 40.6 of the waste management policy and paragraph 2.28 of the United Nations Infantry Battalion Manual, Volume I.

353. To strengthen the efforts to reduce the overall environmental footprint of missions, the (civilian) environmental officer and the (military) environmental focal point of each mission need to cooperate closely.

354. The Board notes that the Department of Peacekeeping Operations and the Department of Field Support need to know whether military environmental focal points have been appointed in accordance with paragraph 26 of the environmental policy, paragraph 40.6 of the waste management policy and paragraph 2.28 (b) of the United Nations Infantry Battalion Manual, Volume I.

355. The Board is of the opinion that if the Department of Peacekeeping Operations and the Department of Field Support have no overview with respect to the status of the above-mentioned appointments, they cannot be sure whether the manual and the relevant policies have been fully implemented.

356. The Department of Peacekeeping Operations and the Department of Field Support agreed that the performance of a monitoring function by military components both at Headquarters and at field operations was an important factor in improving environmental management. The two Departments would implement the following measures to address the recommendation:

(a) During upcoming Special Committee on Peacekeeping Operations briefings, and through other communications channels, troop-contributing countries would be reminded of the obligation to appoint specialist officers, in particular environmental experts;

(b) The two Departments were reviewing the reporting requirements of field missions, and the intention was to include the obligation to report periodically on the status of specialist officers;

(c) The coordination among various entities within the two Departments would be strengthened to ensure compliance with environmental policies.

357. **The Board recommends that the Department of Peacekeeping Operations and the Department of Field Support enhance their monitoring function by requesting missions to regularly update the status of environmental focal points.**

358. The Department of Peacekeeping Operations and the Department of Field Support accepted the recommendation and confirmed that they were in the process of: (a) including environmental issues on the agenda of the annual conference of heads of the military components of peacekeeping operations; and (b) requesting military components that had not yet done so to appoint an environmental focal point. The Departments also indicated that the new reporting policy on the status of specialist officers/environmental experts was slated for implementation in the first quarter of 2017.

Troop-contributing countries' predeployment training on environmental matters

359. The United Nations Infantry Battalion Manual is the foundational document for the infantry battalion, as the backbone of the military component of a United Nations peacekeeping mission. Since the completion of the Manual, in 2012, 11 additional unit manuals (relating to, inter alia, special forces, signals, engineers, aviation and logistics) have been drafted. According to paragraph 2.28 of the United Nations Infantry Battalion Manual, Volume I, environmental sustainability is part of the mandates of most United Nations organizations to help countries to develop and implement good environmental and natural resources management nationally and internationally. Environmental sustainability is also the seventh Millennium Development Goal. It is therefore important that any United Nations peacekeeping operation and its personnel operate in accordance with these United Nations goals in order to lead by example.

360. The Board noted that there was currently no mandatory module or training on environmental management to be used in the predeployment training of the contingents of troop-contributing countries, which complicated the environmental work of missions, as not all troops had been sensitized on the issue or on the objectives of the environmental and waste management policies of the Department of Peacekeeping Operations and the Department of Field Support.

361. Topics to be covered during such training were linked to the five pillars of the environmental strategy but should include at least the following areas (through practical training):

(a) Waste:

(i) Return all waste, including empty plastic water bottles, produced or used during patrols to camps for proper disposal

(ii) Do not discard bottles or packaging materials directly into the natural environment

(iii) Do not build burn pits; the segregation of waste, including hazardous waste, must be undertaken for recycling and/or proper disposal purposes in accordance with the mission's policy

(iv) Be familiar with the specific environmental objectives of the mission

(v) Ensure proper waste storage before disposal, including by protecting it from rain and protecting the soil from contamination

(b) Water:

(i) Undertake water conservation measures, especially in areas of water scarcity

(ii) If the unit has been tasked with drilling boreholes for the mission's use, ensure that they will not affect the water resources of surrounding communities and that the groundwater table will not be depleted by mission use; adapt solutions in accordance with findings

(iii) Immediately repair water leaks

(iv) Treat all wastewater before it is discharged into the natural environment

a. Overflow of septic tanks is not acceptable

b. For early deployment, it is important to provide instructions on how to create proper pit latrines (e.g., the minimum acceptable distance from a stream, the proper depth of holes, allowing the proper amount of time for composting)

(c) Energy:

(i) Undertake energy conservation measures: turn off all appliances, lights and air conditioning

(ii) Avoid vehicle idling as much as possible

(iii) Place containment basins with sufficient capacity under all fuel tanks and fuel collection points

(iv) Ensure that protective measures are in place to prevent soil contamination before any vehicle maintenance work (especially involving oil) is done

(v) Avoid using charcoal (energy issue)

(d) Wider impacts:

(i) Do not bring any plants or seeds from the country of origin that are not endemic to the country of deployment, and vice versa

(ii) Do not acquire wild plants or animals, alive or dead

(iii) Avoid using charcoal (deforestation issue)

(iv) Know the locations of cultural, religious and historical sites and behave according to local sensitivities

(v) Learn what to do when there is polluted soil or water (environmental remediation)

(e) Rules and regulations:

(i) Briefing on the existence and objectives of the environmental and waste management policies of the Department of Peacekeeping Operations and the Department of Field Support and the related governance structure

(ii) Introduction to reporting mechanisms, etc.

362. This should normally also include the insurance that each contingent deployed at a camp needs to assign to an environmental focal point (see above), who would also be the waste management focal point at the camp.

363. **The Board recommends that the Department of Peacekeeping Operations and the Department of Field Support ensure that the mandatory training delivered for the contingents of troop-contributing countries during their predeployment training includes a module on environmental management.**

364. The Department of Peacekeeping Operations and the Department of Field Support concurred with the recommendation that a module included in predeployment training support mission work on the environment, especially in the light of the increased scrutiny by Member States following the Haiti cholera crisis and the fact that more missions have received environmental management mandates from the Security Council (MINUSMA, UNSOS and UNAMID). As a result, all contingents would be familiarized with United Nations environmental objectives in a harmonized way.

365. The Department of Peacekeeping Operations and the Department of Field Support will reach out to Member States' peacekeeping training centres to modify their curricula accordingly.

366. The operational readiness assurance and performance improvement policy, issued in December 2015, requires that Member States certify that they have delivered predeployment training in accordance with United Nations standards and specifications. The implementation of this policy by all Member States will ensure that the environmental training included in the core predeployment training materials is delivered.

367. A standard training plan on environmental management is scheduled to be created by the end of 2017. Specialized training materials will be finalized by the end of 2018.

Water

368. In its previous report (A/70/5 (Vol. II), chap. II), the Board expressed concern over incidents of environmental mismanagement at MINUSCA, UNMIL and UNSOA. During the audit, the Board noted several weaknesses related to the five pillars of the environmental strategy, which need to be addressed during predeployment training.

369. At MINUSCA, in Bangui, the Mission had to deal with approximately 200,000 litres of wastewater per day. The existing wastewater treatment facilities could handle only about 90,000 litres per day. MINUSCA informed the Board that treatment facilities that could handle approximately 210,000 litres per day would be installed by the end of October 2016.

370. MINUSCA stated that, in addition to the two wastewater treatment facility units in place in Bangui, a third unit had been installed. Furthermore, four units were being installed at the M'Poko greenfield site. The installation and commissioning of the M'Poko greenfield units were expected to be completed before the end of 2016. Once all units in Bangui were in operation, total wastewater

treatment capacity would be 180,000 litres per day. MINUSCA planned to establish wastewater treatment plants in all sectors and field locations.

Solar panels

371. MINUSCA did not use any solar panels in Bangui to produce electricity and warm water; electricity was provided only by generators, which consumed fuel that needed to be transported long distances. Its delivery alone required considerable fuel consumption.

372. MINUSCA stated that the implementation of environmentally friendly power-generation systems had previously been recommended in a technical report issued by UNEP and outlined in the Mission's environmental action plan. MINUSCA had taken steps to implement such a system mission-wide and would continue to explore any substantive possibilities for reducing its overall environmental footprint and using renewable energy.

Use of vehicles

373. MINUSCA used some 500 vehicles in Bangui alone. The Director of Mission Support had issued an administrative order to prevent vehicle idling. During its field visit to Bangui, the Board noted during its field visit to Bangui that many drivers did not comply with that order. Management agreed that vehicle idling continued to pose a problem.

374. MINUSCA staff in Bangui comprised approximately 5,000 personnel at various locations. A shuttle service provided transport between the Mission's offices and staff accommodations. There was no regular shuttle service or carpooling in place for commuting between the MINUSCA locations in Bangui, and no overall mobility plan was in place to reduce vehicle use by individuals.

375. MINUSCA stated that the administrative instruction on the prevention of vehicle idling was in force. The shuttle services in Bangui had been improved. A new vehicle committee that included senior MINUSCA staff had been established to reassess the current allocation of vehicles. Advocacy regarding the need to reduce the Mission's carbon emissions was a continuing activity, including at meetings of senior management to urge managers to sensitize their staff and personnel.

Inadequate waste management

376. During its field visit to UNAMID, the Board noted that construction waste, scrap metal, used tyres and old office equipment had been discarded around the mission site. In addition, pallets containing construction materials, some of them still in their original packaging, had been kept in an open yard since 2008/09, when UNAMID had taken over from the African Union Mission in the Sudan. Other construction materials had been stored in a sea container. Most of the materials had been plundered or destroyed. The Board estimated the original value of the materials to have been more than $100,000.

377. The Board observed that UNMIL had not taken appropriate measures to address deficiencies in its wastewater management. In addition, the Board noted that the Mission had not efficiently disposed of scrap plastics, electronic waste or metallic and non-metallic waste, having disposed of only 8 out of 124 sea containers

over a period of 12 months. UNMIL stated that during the period under review it had not entered into a contract for the disposal of hazardous waste and e-waste; it had concluded only a contract for the disposal of petroleum, oil and lubricants and scrap metal. The contractor was reluctant to collect metallic waste from the yard as agreed under the contract because it was mixed with garbage, which, the contractor claimed, was not covered by the agreed terms. Although the Property Management Section had drafted a statement of work, which had been reviewed and approved by the UNMIL Environmental Officer and considered by the Procurement Section, the Board did not see evidence of any concerted waste management efforts prior to the commencement of work under the expected new contract.

378. At MONUSCO, the Board reviewed the reports resulting from 14 of the 35 environmental inspections that had been conducted at military and civilian facilities or sites in Goma, Bukavu, Beni, Bunia, Kisangani, Dungu and Kinshasa in 2015/16. Infrastructure was lacking in the areas of oil storage, electricity generation and waste oil collection and handling. For example, the 14 inspections had found the following levels of full compliance: 21 per cent for oil storage; 29 per cent for electricity generation; and 50 per cent for waste oil collection and handling. The other sites had had different results, which were characterized as "minor problems", "immediate action", "major non-compliance" and "complete non-compliance". Those weaknesses existed even as MONUSCO faced a number of environmental risks associated with the use of petroleum products, including the emission of toxic gases and particles from fuel-consuming devices, which contributed to air pollution and global warming, as well as a lack of awareness and insufficient resources in the field.

379. MONUSCO explained that it had implemented a systematic infrastructure improvement plan for fuel and oil storage facilities, in which contingents were directed to construct concrete bases for generators and fuel storage drums; the drums were required to be kept in a shed. This infrastructure requirement had been implemented in at least 60 per cent of the Mission's military sites and civilian locations in 2015/16. The process of infrastructure improvement would continue as part of the contingent responsibilities with respect to minor engineering work. While the Board notes management's explanation, it remains concerned at the low number of units that comply with the infrastructure requirements for oil storage, electricity generation and waste oil collection.

Lack of environmental focal points and environmental briefings of troops

380. The Board reviewed environmental management issues at UNSOS and consequently determined that the mission-supported staffing complement for military and police personnel for the financial year 2015/16 had consisted of an authorized strength of 21,586 military personnel and 540 police personnel from six troop-contributing countries. The Board observed several deficiencies.

381. The Board noted that the mission had contracted with a consultant to serve as an environmental officer and had not appointed an environmental focal point. The mission had stated that, since the force commander, the police commander and the police commissioner were not under the United Nations structure of the mission, it could not instruct them to appoint an environmental focal point. Once the mission had recruited an environmental affairs officer, it would be in a position to engage more robustly with AMISOM on environmental matters.

382. The Board noted that, since UNSOS was mandated to provide logistical support to AMISOM and represented the United Nations in Somalia, it needed to take a proactive role by ensuring that environmental issues were given greater priority to safeguard the image and credibility of the United Nations in Somalia and to facilitate the process by raising awareness of the need for an environmental focal point and coordination in that regard.

Solid waste disposal

383. MINUSTAH had engaged a contractor for solid waste disposal at various of its camps. The contract set out schedules for the collection of solid waste at the camps. Spot checks of records pertaining to the contractor's collection of waste materials revealed several instances of non-compliance with contractual targets. For example, while the contractor was to collect waste at a camp three times per week, he had collected it only once per week. These cases of contractual non-compliance were not reflected in the vendor appraisal report of the Contract Management Unit or the inspection report of the Environmental Compliance Unit. The Mission stated that there might be variations in the frequency of services based on its operational requirements and that the contract gave it the right to increase or decrease the frequency of collection. Payment to the contractor was made according to the quantity of waste collected.

384. **The Board recommends that the Department of Peacekeeping Operations and the Department of Field Support request missions to comply with departments' environmental management and waste management rules and to report regularly on the status of environmental and waste management issues.**

385. The Department of Field Support stated that, while it concurred in principle with the recommendation, numerous challenges made it difficult to set a realistic timeline for the implementation of the recommendation. Nevertheless, as announced in the Department's environmental strategy launched on 29 November 2016, the environmental vision would be achieved by June 2023.

15. Quick-impact project management

386. As described in the policy issued on 21 January 2013 by the Department of Peacekeeping Operations and the Department of Field Support, quick-impact projects are small-scale, rapidly implementable projects of benefit to the population. A separate budget line item for quick-impact projects, under which appropriations are made, is utilized by the United Nations for peacekeeping missions.

387. The Board noted missions' administrative delay in providing approval and funding of quick-impact projects, which in turn had delayed the implementation of such projects at MINUSTAH, UNMIK and UNIFIL.

388. The Department of Field Support stated that UNIFIL had reported that the approval and funding of projects under the quick-impact project budget had been carried out in a timely manner, well before the end of the financial period. However, some delays had occurred in the implementation or completion of some projects. The reasons for the delays, which had been suitably substantiated and explained by the implementing partners, had been reviewed by the UNIFIL project review committee. The committee had accepted them as valid and reasonable, and

extensions had been granted. All 32 of the projects undertaken during the financial year 2015/16 had been closed. MINUSTAH had also reported that the launch of Umoja had introduced additional steps in the approval and release of funds (the registration of implementing partners and the processing of commitments in the system), which had resulted in some delays in project approval and disbursement of funds. The volatile pre-electoral environment, which had been marked by violent demonstrations, had also contributed to the delays. Furthermore, UNMIK had indicated that implementing partners were often late in submitting a complete package of supporting documents for the approval and funding of quick-impact projects.

389. According to guideline 27 of the Department of Peacekeeping Operations/Department of Field Support guidelines on quick-impact projects, an annual evaluation of the quick-impact project programme should be carried out by the quick-impact project management team in coordination with the Project Review Committee, using the format set out in the Departments' guidelines on implementing partners. The Board noted that over the past three financial years, UNMIK had not carried out any annual evaluations of quick-impact projects or had the impacts of the projects assessed. This non-compliance had made it impossible for all of the stakeholders to judge the effectiveness or the impact of the quick-impact projects implemented by the Mission thus far.

390. **The Board recommends that MINUSTAH, UNMIK and UNIFIL ensure the timely approval and release of funds for quick-impact projects so that the purposes of such projects can be optimally served.**

391. The Department of Peacekeeping Operations and the Department of Field Support stated that they were conducting a review of their policy and guidelines on quick-impact projects. The revision process would result in improved guidance for field missions on the planning and evaluation of such projects.

16. Organizational issues

Description of Department of Field Support functions and divisions

392. In 2010, the structure of the Department of Field Support and the functions of its divisions were described in the Secretary-General's bulletin on its organization (ST/SGB/2010/2). Although there have been several changes since that time, no updated version exists.

393. The Board noted that the structure of the divisions of the Department of Field Support had changed. For example, according to the bulletin, the Field Budget and Finance Division comprised the Office of the Director, the Budget and Performance Reporting Service and the Memorandum of Understanding and Claims Management Section. This deviated from the Division's description in the report of the Secretary-General for the period 2016/17 (A/70/751), in which the Reimbursement Policy and Coordination Section was also listed. In addition, the Field Personnel Division now had a separate Quality Assurance and Information Management Section, which had been part of the Field Personnel Specialist Support Service in 2010.

394. Furthermore, the Global Service Centre and the Regional Service Centre in Entebbe were not mentioned in the bulletin, yet they were part of the Department of Field Support. Therefore, the functions of the Global Service Centre and the

Regional Service Centre were not defined or distinguished from the responsibilities of other divisions.

395. In some instances, the inaccurate division of labour might have led to operational delays. For example, a standard operating procedure on aviation-related issues had not been updated for years.[11] Furthermore, the initiation of contracts in the area of engineering was delayed.

396. The Board is of the view that the Administration should regularly update the description of its structure and the core functions of its divisions to ensure that lines of accountability and administrative responsibility are correctly identified. Lack of clarity with regard to responsibilities may even delay operations.

397. The Department of Field Support agreed that the Secretary-General's bulletin needed to be updated to reflect the organizational changes that had occurred since its issuance. The update had been delayed to allow all departments and offices to conduct a comprehensive review of all Secretary-General's bulletins so that the division of labour between various Secretariat entities could be more clearly delineated. The Department intended to finalize the update after the approval of the budget for the support account for the financial year 2017/18 (in June 2017), since it included a proposal for the restructuring of the Logistics Support Division. It stated that the lack of an updated Secretary-General's bulletin should not cause operational delays, since the roles and responsibilities of new or restructured offices and divisions were clearly spelled out in the Secretary-General's budget proposals to the General Assembly and the Assembly resolutions approving the proposals.

398. **The Board recommends that the Department of Field Support update regularly the description of its structure and the core functions of its divisions to determine accountabilities and administrative responsibilities.**

Umoja implementation

399. Deploying Umoja Extension 1 and the previous clusters affected peacekeeping during the financial year 2015/16. Extension 1 went live on 1 November 2015. It integrated the administration of international staff, for example, payroll, human resources and travel processing. Internal staff could initiate leave requests, travel requests and travel claims through the employee self-service portal.

400. After the deployment of Umoja Extension 1, the processing of requests was hampered, including the processing of education grant requests by the Regional Service Centre in Entebbe. While other factors may have contributed to this, the Regional Service Centre faced a processing backlog of 1,500 education grant requests until the end of February 2016. Unlike other service lines, the education grant service line had not been included in a ramp-up plan by the Department of Field Support and the Regional Service Centre to prepare for the implementation. The Centre identified the following obstacles: limited training, a limited number of staff with a Umoja human resources partner profile, technical errors and inaccurate importing of data.

401. The processing of travel requests was also affected. Umoja initiated additional steps that extended the amount of processing time, including "express" expense

[11] See sect. 8 above.

reports that should not require the intervention of any processors but were routed to them. Furthermore, owing to the lack of automatic controls in Umoja, staff had to check cases manually. Umoja allowed staff to create more than one travel request and expense report for travel carried out on the same date and for the same purpose. Since missions and the Regional Service Centre in Entebbe had the same approval and certifying roles in Umoja, manual checks had to be carried out to prevent duplicate entries and payments.

402. At the end of the financial year, further challenges were noted:

(a) Travel requests involving the financial years 2015/16 and 2016/17 could not be amended after 30 June 2016;

(b) After the financial year 2015/16 was closed on 2 August 2016, expense reports could no longer be processed for travel requests for that financial year. Advances were recorded as recoveries under receivables and accrued as expenses.

403. The Board noted that the objective of the replacement of legacy systems had not yet been achieved. The processing of education grant requests had been only partly integrated into Umoja. Staff members still could not create requests in Umoja, but had to use the legacy system, the Field Support Suite.

404. While the majority of staff data had been integrated into Umoja, the Umoja business intelligence module was still under development. This had caused difficulties for missions and the Administration in creating reports and monitoring performance.

405. In accordance with its service-level agreement with missions, the Regional Service Centre in Entebbe had previously reported on its performance on a monthly basis. Since November 2015, it had not prepared any reports. After the implementation of Umoja Extension 1 at the end of 2015, data had not been available. Ultimately, the Regional Service Centre had compiled data from Umoja and legacy systems to issue a year-end report in September 2016.

406. Furthermore, in some cases the information presented in Umoja Enterprise Core Component reports had been difficult to understand. The reports relating to general ledger line items in the Umoja Enterprise Core Component had erroneously included both cleared and open items, whereas only open items had been requested. Only after the results had been filtered had the correct data been shown. This had been the case with open item managed general ledger accounts, for which the system had allowed the clearing of debits and credits together. It was expected that this problem would be corrected in the future.

407. On 1 November 2016, Umoja cluster 5 had been deployed. It extended Extension 1 functionality to national staff and uniformed personnel. More than 11,600 national staff and 8,600 uniformed personnel at peacekeeping operations and special political missions were affected. However, the decision had been made to postpone the implementation of the travel functionality, which was supposed to become available in 2017. The Galileo asset management system, used to record plant, equipment and inventory, would be discontinued in 2017 upon the deployment of Umoja Extension 2. The inventory holdings recorded in Galileo would need to be cleansed from the system and migrated to Umoja.

408. The Administration stated that it had corrected these problems relating to the implementation of Umoja Extension 1. The Office of Human Resources Management had organized and delivered a Department of Field Support train-the-trainers course on education grants. The Department had provided further training, certified additional processors and put in place a mentoring and support programme. As a result, it explained, education grant processing was now under control. The Department of Management explained that the employee self-service component of the education grant was to be implemented in 2018 or later. Workaround solutions to the technical problems were being developed. While the Umoja travel solution had reduced the number of process steps, as a result of the strict system criteria some claims were routed to processors that could otherwise "go express". The Department of Management was working to develop a simplified express claim settlement functionality. "Duplicate" travel requests and expense reports were required in order to claim additional expenses (in a supplemental claim) once an expense report had been approved. An enhancement had been introduced that required the traveller to confirm that a stand-alone expense report did not duplicate an existing claim. Furthermore, a calendar feature provided for visibility of all expense reports, with colour coding to flag overlapping cases. While the Umoja Enterprise Core Component and Umoja business intelligence modules already offered reports, different teams and sections continued to develop further reports. The Administration was managing the list of outstanding reporting requirements and would coordinate their release schedule from late 2016 onwards.

409. The Department of Field Support stated that it was closely involved in the deployment of Umoja Extension 2. Preparatory work by divisions on enhancing reliable business reports, training and business processes would be a key to addressing these challenges.

410. The Board noted that implementing Umoja was challenging for peacekeeping operations. There was room for improvement with regard to the reliability of data entered into the system. In connection with the ongoing development of business intelligence reports, the monitoring of processes was challenging. In view of the upcoming implementation of Umoja Extension 2, the Board considered it important that all necessary preparatory work be undertaken in time, in particular data-cleansing, staff training and analysing the project's impact on operational processes.

411. **The Board recommends that the Administration continue its work to enhance the quality of the data in Umoja and to create reports enabling monitoring, especially in the light of the upcoming decommissioning of the Galileo asset management system and the cleansing and migration of its inventory holdings.**

Alleged fraud in the provision of meals

412. At one mission, the Board had come across a case of alleged fraud regarding meals. The mission had been informed by the local government that mission staff who benefited from the mission's catering facility had been engaging in fraudulent practices with the complicity of certain hotels.

413. Some staff members had been accepting payments in local currency from local hotels to swipe their badges for catering services that were never provided, and authorized hotels had swiped the badges of staff away from the duty station for

meals that were not consumed. The local government had also provided the data relating to October 2014, as detailed below. The payment of meals by the local government had been part of the budgeted voluntary contribution.

414. In response to the Board's request for the records relating to the case, the mission informed the Board that OIOS had notified the mission's staff that no copies of the documents, in paper or electronic form, should be kept at the mission and had required written confirmation that such a measure had been taken. The mission stated that it had complied with the Office's directions. When the Board checked with OIOS about the mission's deletion of records, the Office could not clarify the situation. At the Board's request, OIOS provided electronic copies of documents relating to the case. The Board's further analysis is based on those records. The Board noted that, after the fact-finding exercise, the mission had requested OIOS to carry out an investigation.

415. In the follow-up fact-finding exercise, the mission had calculated a discrepancy of $53,023 for October 2014, which was just a sample month; the exact period of the alleged fraud would be known only after a thorough investigation. The mission had concluded that, as this elaborate scam might have been ongoing for several years, the damage could be in the millions of United States dollars. It had noted that invoices dating from October 2014 had not been certified for payment by the mission and therefore had not been paid to the hotels. Thus, there had been no financial loss to the United Nations. However, the reputation of the mission and the United Nations was at stake. The mission had also concluded that the fraudulent nature of the activities of individuals regarding access to meals at authorized hotels in October 2014 was very evident and had been clearly proved. In order to obtain more detailed information, the mission would require investigative assistance from the local authority and OIOS.

416. The Investigations Division of OIOS had closed the case without an investigation and referred it to the Office's Internal Audit Division for consideration in future audit planning, stating that the mission had noted that no meal invoices for October 2014 had been certified for payment and, accordingly, no actual financial loss had been sustained. Moreover, in its efforts to mitigate further fraud, the mission had seen invoices for significantly lower amounts than before, which suggested that awareness-raising had diminished the incidences of possible fraud. Given the foregoing as well as the amount of time elapsed, the likelihood that most if not all of the subjects had now rotated out of the mission and the actual financial exposure involved, it seemed that little value would be added by a follow-up fact-finding exercise that would initiate an investigation.

417. The Board noted that, according to Headquarters instructions relating to the United Nations peacekeeping records retention schedule, records relating to oversight matters were of a permanent nature and required archiving. Therefore, the mission's deletion of the records had not been in conformity with those instructions.

418. The Board is of the view that the mission must prevent staff fraud and needs to strengthen internal control in that regard. Furthermore, in view of the serious nature of the complaint of the host Government, together with the availability of documentary evidence, as well as the reputation of the mission and the United Nations, such a case should have been investigated by the Investigations Division of OIOS.

419. The Department of Field Support informed the Board that it had referred the matter to the Under-Secretary-General for Internal Oversight Services with a request for investigation. It had not received a formal response from OIOS.

420. OIOS, in a letter dated 8 December 2016, reiterated that the Investigations Division had assessed the matter and concluded that little value would be added by OIOS initiating an investigation at that time. The Internal Audit Division would look at the issue during its next audit of the mission, in 2017/18. The Board is of the opinion that this case needs further immediate action by the Administration.

421. **The Board recommends that the Administration obtain complete information and establish the facts.**

422. **The Board recommends that the mission strengthen its internal control mechanism to prevent the recurrence of such cases.**

C. Disclosures by management

1. Write-off of cash, receivables and property

423. The Administration reported to the Board that property losses amounting to $8.51 million ($30.95 million in 2014/15) had been written off during 2015/16. The losses had been caused mainly by hostile actions, abandonment, relocation or closure of sites, accidents, malfunctions and other circumstances. In accordance with financial rule 106.7, the Administration also stated that losses amounting to $620,661 ($692,666 in 2014/15) had been written off in respect of cash and receivables because they were considered irrecoverable.

2. Ex gratia payments

424. The Administration reported to the Board that one ex gratia payment, amounting to $2,887.65, had been made to a former military officer for essential food supplements at UNMIK during the reporting period.

3. Cases of fraud and presumptive fraud

425. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities, including those resulting from fraud. Our audit should not, however, be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

426. During the audit, the Board makes enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management has identified or brought to its attention. The Board also enquires whether management has any knowledge of any actual, suspected or alleged fraud, and this includes enquiries of OIOS. The additional terms of reference governing external audit include cases of fraud and presumptive fraud in the list of matters that should be referred to in its report.

427. During the period under review, the Office of the Controller and OIOS reported 27 cases of fraud or presumptive fraud to the Board, involving an amount of $4.54 million. During the previous year, 52 cases, involving an amount of $0.34 million, had been reported (2013/14: 39 cases; 2012/13: 29 cases).

428. As part of the overall United Nations Secretariat, the Department of Field Support and the Department of Peacekeeping Operations follow the Secretariat's policies and procedures regarding fraud issues as well as mechanisms for reporting and monitoring fraud cases. The number of cases of fraud and presumptive fraud reported by the Office of the Controller and OIOS underlines the need for a greater emphasis on fraud awareness and prevention, rather than on just action after detection, as well as an Organization-wide uniform definition of the cases that are to be reported under "fraud and presumptive fraud".

D. Acknowledgement

429. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretaries-General for Management, Peacekeeping Operations, Field Support and Internal Oversight Services and the Controller of the Office of Programme Planning, Budget and Accounts and members of their staffs, as well as the staff at the missions.

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India
(Chair of the Board of Auditors)

(*Signed*) Kay **Scheller**
President of the German Federal Court of Auditors
(Lead Auditor)

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania

19 January 2017

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Mission for the Referendum in Western Sahara (MINURSO)
2. United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)
3. United Nations Stabilization Mission in Haiti (MINUSTAH)
4. United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)
5. African Union-United Nations Hybrid Operation in Darfur (UNAMID)
6. United Nations Disengagement Observer Force (UNDOF)
7. United Nations Peacekeeping Force in Cyprus (UNFICYP)
8. United Nations Interim Force in Lebanon (UNIFIL)
9. United Nations Interim Security Force for Abyei (UNISFA)
10. United Nations Interim Administration Mission in Kosovo (UNMIK)
11. United Nations Mission in Liberia (UNMIL)
12. United Nations Mission in South Sudan (UNMISS)
13. United Nations Operation in Côte d'Ivoire (UNOCI)
14. United Nations Support Office in Somalia (UNSOS)
15. United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. United Nations Logistics Base at Brindisi, Italy (UNLB)
3. Support account for peacekeeping operations
4. Employee benefits funds
5. Peacekeeping cost recovery fund

Closed peacekeeping operations

1. United Nations Operation in Burundi (ONUB), closed on 31 December 2006
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL), closed on 31 December 2005
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET), closed on 20 May 2005

4. United Nations Iraq-Kuwait Observation Mission (UNIKOM), closed on 6 October 2003

5. United Nations Mission in Bosnia and Herzegovina (UNMIBH), closed on 30 June 2003

6. United Nations Mission of Observers in Tajikistan (UNMOT), closed on 15 May 2000

7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH), closed on 15 March 2000

8. United Nations Mission in the Central African Republic (MINURCA), closed on 15 February 2000

9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM), closed on 26 February 1999

10. United Nations Preventive Deployment Force (UNPREDEP), closed on 28 February 1999

11. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG), closed on 15 October and 30 November 1998

12. United Nations Observer Mission in Liberia (UNOMIL), closed on 30 September 1997

13. United Nations Peace Forces (UNPF), closed on 30 June 1997

14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA), closed on 31 May 1997

15. United Nations Mission in Haiti (UNMIH), closed on 30 June 1996

16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR), closed on 19 April 1996

17. United Nations Observer Mission in El Salvador (ONUSAL), closed on 31 May 1995

18. United Nations Operation in Mozambique (ONUMOZ), closed on 31 March 1995

19. United Nations Operation in Somalia (UNOSOM), closed on 3 March 1995

20. United Nations Military Liaison Team in Cambodia (UNMLT), closed on 15 November 1994

21. United Nations Transitional Authority in Cambodia (UNTAC), closed on 5 May 1994

22. United Nations Transition Assistance Group (UNTAG), closed on 21 March 1990

23. United Nations Iran-Iraq Military Observer Group (UNIIMOG), closed on 31 March 1991

24. Special Account for the United Nations Emergency Force (UNEF), closed on 30 June 1967

25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC), closed on 30 June 1964

26. United Nations Mission in Ethiopia and Eritrea (UNMEE), closed on 31 July 2008

27. United Nations Observer Mission in Georgia (UNOMIG), closed on 5 June 2009

28. United Nations Mission in the Central African Republic and Chad (MINURCAT), closed on 31 December 2010

29. United Nations Mission in the Sudan (UNMIS), closed on 9 July 2011

30. United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS), closed on 19 August 2012

31. United Nations Integrated Mission in Timor-Leste (UNMIT), closed on 31 December 2012

Annex II

Status of implementation of the outstanding recommendations of the Board as at 30 June 2016

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
A/68/5 (Vol. II), chap. II, for the period ended 30 June 2013							
Procurement and contract management							
1. The Procurement Division accepted the Board's recommendation that it enhance the collection of contractor performance reports, and make better use of the information, to facilitate decision-making in contract awards or extensions.	para. 44	The supplier performance functionality within Umoja aims to "evaluate supplier performance process — consolidates supplier and/or contract performance data captured in the system, and if required, initiate and coordinate a review to determine any recommended actions". The supplier performance functionality and reporting have been classified as Umoja Extension 2. Its deployment date will be dependent on the decision of the General Assembly.	Umoja Extension 2 has yet not been deployed. The recommendation remains under implementation.		X		
Human resources management							
2. The Board recommends that the Department of Field Support and the Office of Human Resources Management develop a national staff recruitment standard operating procedure and establish how they will monitor and enforce mission compliance.	para. 93	In July 2016, the Department of Field Support issued to all missions guidelines for the selection of locally recruited staff members at United Nations peacekeeping operations and special political missions. A copy of the guidelines was provided to the Board of Auditors under separate cover. The guidelines will be in effect until the issuance of an administrative instruction by the Office of Human Resources Management on the recruitment of locally recruited staff members in missions. With regard to standardizing recruitment in the General Service and related categories across the peacekeeping field missions, a separate set of guidelines was issued in July 2016. At the same time,	As reported by the Administration, the recommendation is still under implementation.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		following the implementation of the first exercises under the new staff selection and managed mobility system in accordance with ST/AI/2016/1, it has been decided that the administrative instructions governing the two staff selection systems that are running concurrently (ST/AI/2010/3 and ST/AI/2016/1, issued earlier this year) will be revised jointly to align the policy wherever feasible and reflect the lessons learned under both systems as applicable. This is also in line with prior recommendations of the Office of Legal Affairs aimed at eliminating discrepancies within the two systems wherever feasible. The work related to this massive revision has already started and is scheduled to last until mid-2017, depending on the scope of the changes required. In that context, the amendments to ST/AI/2010/3 concerning the General Service and related categories may be issued as a separate instruction, which would also be applicable to staff members at the GS-5 level and above at field duty stations and could possibly include all levels in the General Service and related categories.				
Implementation of the global field support strategy							
3. The Administration agreed with the Board's recommendation that it develop a more systematic approach for missions to draw on when implementing global field support strategy tools and principles. This will include a plan on how such tools and principles will be deployed in missions after the five-year project duration.	para. 141	The global field support strategy start-up tools checklist will be incorporated into the revision of the Mission Start-up Field Guide, one of the key guides for the Department of Peacekeeping Operations and the Department of Field Support, which is expected to be completed by early 2017. The Guide will also include revised mission structures for field support components, which were promulgated as part of the global field support strategy.	As reported by the Administration, the recommendation is still under implementation.		X		

	Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
			Other guidance materials under development have been based on outcomes of the global field support strategy and include new interim guidance on centralized warehousing, i.e., the draft Centralized Warehousing Operations Manual for Field Missions, promulgated in July, prior to the conference of directors and chiefs of mission support.					
4.	The Board recommends that the Administration, drawing on lessons from the project management of the global field support strategy, address deficiencies in the management of the supply chain reform. In particular, the Administration should establish effective project governance and a dedicated team and formalize the concept document so that each party can clearly understand the vision, project timeline, roles and responsibilities, and can accept its accountability for delivery.	para. 204	The concept documents, including a supply chain strategy and vision, have been finalized and were signed by the Under-Secretary-General for Field Support in May 2015. The concept documents have been sent to the Board under separate cover.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
5.	The Board recommends that the Administration address the identified deficiencies in acquisition planning and global asset management.	para. 209	The revised policy of the Department of Field Support entitled "Global asset management: clearing-house role" was provided to the Board of Auditors under separate cover as proof that this recommendation has been implemented.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
	Subtotal (Percentage)				**2 (40)**	**3 (60)**		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
A/70/5 (Vol. II), chap. II, for the year ended 30 June 2014						
Asset management						
1. While noting the improvements made, the Board recommends that the Administration undertake a more focused effort to ensure that its own instructions in respect of the write-off of assets are followed by missions.	para. 86	The Department of Field Support issued a directive and a workplan on property management for the financial year 2015/16, defining key actions for improvement. During the reporting period, missions' performance was systematically reviewed within the quarterly reporting regime. Recommendations for corrective actions were provided through quarterly performance reports, as well as through thematic and mission-specific facsimiles. Additional follow-up on the progress of implementation of key actions, performance issues and related solutions was done through regular videoteleconferences. In August 2016, a biannual property management performance review was conducted at the Department's directors' meeting, at which management decisions for improving stewardship and accountability with respect to United Nations property were made. On the basis of a directors' meeting decision made in August 2016, the Department has introduced a property management performance index as a method of aggregating complex performance information into a simplified measure, which will be used as an indicator of achievement in the results-based-budgeting framework.	The Administration provided sufficient information to enable the Board to close this recommendation.	X		
2. The Board recommends that the Administration review the reasons for delay in the disposal of written-off assets and ensure that the missions explore the possibility of the quicker disposal	para. 91	In addition to the actions reflected in paragraph 113 of A/70/724, the Global Service Centre, under the initiative of the Under-Secretary-General for Field Support, has launched the inventory optimization project, aimed at meeting the	The recommendation is considered to have been implemented.	X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
of long-pending cases while addressing mission-specific constraints.		following objectives: (a) to maximize effective and efficient utilization of United Nations assets deployed at field missions; (b) to ensure the receipt of the full economic benefit and service potential of Department of Field Support assets; (c) to optimize property holdings on the basis of the re-evaluation of requirements through the identification of surplus and redistribution, write-off and disposal of aged, obsolete and unserviceable United Nations-owned equipment; (d) to set up a foundation for realistic requirement formulation, demand forecasting, enhanced acquisition planning and strengthened global asset management, including results-driven Global Service Centre clearing-house processes; and (e) to increase the level of accuracy and completeness of data contained in property records in support of IPSAS and the Galileo decommissioning project.					
3. The Board recommends that missions: (a) strengthen their asset management procedures and closely monitor the level of ageing stock and its judicious deployment and redistribution; (b) consider writing off or disposing of all items of obsolete equipment that are no longer in use; and (c) ensure proper assessment of requirements before undertaking procurement so as to ensure that the items purchased are utilized.	para. 97	(a) The Department of Field Support issued a directive and a workplan on property management for the financial year 2015/16, defining key actions for improvement. During the reporting period, missions' performance was systematically reviewed within the quarterly reporting regime. Recommendations for corrective actions were provided through quarterly performance reports, as well as through thematic and mission-specific facsimiles. Additional follow-up on the progress of implementation of key actions, performance issues and related solutions was done through regular videoteleconferences. In August 2016, a biannual property management performance review was conducted at the Department's directors' meeting, at which management decisions for improving	The Administration provided sufficient information to enable the Board to close parts (a), (b) and (c) of the recommendation.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification				
			Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		stewardship and accountability with respect to United Nations property were made. On the basis of a directors' meeting decision made in August 2016, the Department has introduced a property management performance index as a method of aggregating complex performance information into a simplified measure, which will be used as an indicator of achievement in the results-based-budgeting framework.					
		(b), (c) In addition to the actions reflected in paragraph 115 and 116 of A/70/724, the Global Service Centre, under the initiative of the Under-Secretary-General for Field Support, has launched the inventory optimization project, aimed at meeting the following objectives: (a) to maximize the effective and efficient utilization of United Nations assets deployed at field missions; (b) to ensure the receipt of the full economic benefit and service potential of Department of Field Support assets; (c) to optimize property holdings on the basis of the re-evaluation of requirements through the identification of surplus and redistribution, write-off and disposal of aged, obsolete and unserviceable United Nations-owned equipment; (d) to set up a foundation for realistic requirement formulation, demand forecasting, enhanced acquisition planning and strengthened global asset management, including results-driven Global Service Centre clearing-house processes; and (e) to increase the level of accuracy and completeness of data contained in property records in support of IPSAS and the Galileo decommissioning project.					

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
4. The Board recommends that the Administration review inventory management and practices at missions to reduce the number of overstocked items and ensure more rational stocking of items taking into account actual rates of consumption.	para. 108	The Department of Field Support issued a directive and a workplan on property management for the financial year 2015/16, defining key actions for improvement. During the reporting period, missions' performance was systematically reviewed within the quarterly reporting regime. Recommendations for corrective actions were provided through quarterly performance reports, as well as through thematic and mission-specific facsimiles. Additional follow-up on the progress of implementation of key actions, performance issues and related solutions was done through regular videoteleconferences. In August 2016, a biannual property management performance review was conducted at the Department's directors' meeting, at which management decisions for improving stewardship and accountability with respect to United Nations property were made. On the basis of a directors' meeting decision made in August 2016, the Department has introduced a property management performance index as a method of aggregating complex performance information into a simplified measure, which will be used as an indicator of achievement in the results-based-budgeting framework.	The Administration provided sufficient information to enable the Board to close this recommendation.	X			
Procurement and contracting							
5. The Board recommends that a system for the monitoring of the timelines of the various stages of the procurement process be instituted to reduce or eliminate delays in procurement.	para. 114	The Department of Management is in the process of finalizing numerous standardized Umoja business intelligence reports, which could be used to monitor the timelines of the various stages of the procurement process.	The implementation of the recommendation may be reviewed after the full		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
			implementation of Umoja. The recommendation is under implementation.				
6. The Board recommends that the Administration ensure that requisitions are sent to the Procurement Division in time, keeping in view the expiry of ongoing contracts, so that such contracts are not extended beyond their tenure.	para. 122	The Department of Field Support established new timelines for the submission of requisitions to the Procurement Division. With regard to expiring contracts with the possibility for extension, and/or those with various options, requests are sent to the Division one month ahead of time. For expiring contracts that require replacement, requests are sent to the Division four months ahead of time.	The recommendation is considered to have been implemented.	X			
7. While recognizing the need for some flexibility in seeking performance bonds, the Board recommends that the Administration review the guidelines for obtaining such bonds to ensure that they are adequate to secure the interests of the United Nations and result in the consistent application of provisions.	para. 129	The Procurement Division conducted an internal compliance review that confirmed the efficacy of the current provisions of the Procurement Manual with regard to performance and bid securities. In addition, management wishes to note that guidance on the topics highlighted in the recommendation is also routinely provided to missions during procurement assistance visits. Thus, the Administration considers this recommendation to have been implemented. Please also refer to management's comments on the recommendation in A/70/5 (Vol. II), chap. II, para. 154.	The recommendation is considered to have been implemented.	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
8. The Board recommends that the provisions in the Procurement Manual be reviewed to strengthen the role of the local committee on contracts/Headquarters Committee on Contracts as an effective internal control mechanism and to ensure best value for money, accountability and transparency in procurement decisions.	para. 150	The Administration has reviewed the terms of reference of the committees on contracts contained in the administrative instruction on review committees on contracts (ST/AI/2611/8) as well as chapter 12 of the Procurement Manual and confirms that the guidance contained in those documents provides sufficient clarity in terms of the roles of the local committees on contracts and the Headquarters Committee on Contracts and that no further revisions are required. It should be noted that the role of the committees on contracts is advisory; therefore, ensuring transparency, accountability and adherence to procurement rules and regulations rests with the delegation holders. The secretariat of the Headquarters Committee on Contracts maintains a record of "other recommendations" whereby the implementation of approved "other recommendations" is monitored by the Office of the Assistant Secretary-General for Central Support Services, as the Assistant Secretary-General is accountable for all decisions made pursuant to recommendations of the Headquarters Committee on Contracts. In addition, management wishes to note that any areas of concern that are identified during the procurement process form part of the agenda for the field assistance visits and training programmes of the Procurement Division. The Headquarters Committee on Contracts secretariat conducts field assistance missions and training programmes aimed at providing support	The recommendation is considered to have been implemented.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		for and enhancing the functioning of the local committees on contracts, including all relevant stakeholders involved in the acquisition process. The Administration considers this recommendation to have been fully implemented.					
9. The Board recommends that the Procurement Division take concerted action to improve the rates of the utilization of regional systems contracts by missions. Where there are such contracts, the missions should normally be prevailed upon to utilize them.	para. 160	The Regional Procurement Office has been reaching out to the client missions by distributing contract catalogues. These have previously been shared with the Board and are available for further review upon request if necessary. Thus, the Administration considers this recommendation to have been implemented. Please also refer to management's comments on the recommendation in A/70/5 (Vol. II), chap. II, para. 168.	The Board has commented on this in the present report.				X
Air transportation							
10. The Board recommends that the Administration carry out a trend analysis of the utilization of air resources by missions to determine the optimum size and composition of the aviation fleet required without compromising operational parameters.	para. 181	As reported earlier, the Department of Field Support requested that all field missions conduct a trend analysis with respect to the utilization of air assets. On the basis of the results and missions' revised concepts of operations, fleets were resized at some missions, whereas other missions started to make use of shared air assets.	The Department of Field Support provided sufficient information to enable the Board to close this recommendation.		X		
11. The Board recommends that missions analyse flight needs and flight schedules to maximize passenger and cargo payload per flight in order to improve aircraft capacity utilization and efficiencies and thereby reduce costs with respect to air transport.	para. 183	Missions conducted a "demand analysis", based on flight needs and flight schedules, on a quarterly basis to maximize passenger and cargo payload per flight, resulting in improved aircraft capacity utilization and efficiencies, as well as reduced air transport costs.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not Overtaken by implemented events
12. The Administration agreed with the Board's recommendation that it: (a) ensure strict adherence to the time frames for sending requests so as to enable the planning of efficient and cost-effective flight options; and (b) ensure that a post-flight analysis checklist is provided to the Strategic Air Operations Centre for better future tasking.	para. 189	(a), (b) As reported earlier, the Strategic Air Operations Centre of the Global Service Centre established a database to facilitate mission accountability for compliance. Missions were reminded to comply strictly with timelines.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X		
Construction management						
13. The Board recommends that the monitoring of construction projects be further strengthened and that missions be advised to submit their reports with all details so as to enable effective monitoring and redress of any impediments to the timely completion of the projects.	para. 198	The Administration has taken corrective actions to address the recommendation. In coordination with the Department of Peacekeeping Operations, an independent senior-level working group representing the Department of Field Support, missions and service centres has finalized the supplemental guidance on the governance of major construction projects at field missions. The supplemental guidance was issued in October 2015 to assist all peacekeeping and special political missions in planning and implementing construction projects. The missions have taken corrective actions accordingly.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X		
14. The Board recommends that: (a) missions strengthen their procedures for the planning and implementation of construction contracts to factor in all foreseeable environmental and security factors that may impinge upon the execution of the work; (b) a proper feasibility study be conducted and a detailed project report prepared before project timelines are proposed; and (c) completion dates be realistic	para. 211	The Board confirmed, in annex II to its report (A/70/5 (Vol. II), chap. II), that part (a) of the recommendation had been implemented. With regard to parts (b) and (c), the Administration has taken corrective actions. In coordination with the Department of Peacekeeping Operations, an independent senior-level working group representing the Department of Field Support, missions and service centres has finalized the supplemental guidance on the governance of major construction projects at field missions. The supplemental	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
and practical so as to avoid the possibility of slippage in the stipulated schedules.		guidance was issued in October 2015 to assist all peacekeeping and special political missions in planning and implementing construction projects.					
15. The Board recommends that the Administration conduct a review of current arrangements across peacekeeping missions to ensure consistent application of the requirements for performance security to protect the interests of the Organization.	para. 221	According to the delegation of authority issued to the Under-Secretary-General for Field Support by the Assistant Secretary-General for Central Support Services, the Director of the Procurement Division of the Department of Management will also conduct monitoring of procurement activities through procurement assistance visits to review procurement activities, report on performance, identify weaknesses and areas of risk, and propose measures to strengthen the procurement function in the Organization worldwide. This includes reviewing compliance by procurement staff with applicable financial regulations and rules, the provisions of the Procurement Manual and the missions' standard operating procedures, as well as determining whether performance bonds are being collected. The procedures for the safeguarding and timely return of performance bonds to vendors are also reviewed.	The recommendation is considered to have been implemented.		X		
Quick-impact projects							
16. The Board recommends that: (a) the implementation of quick-impact projects by field missions be periodically monitored by Headquarters to ensure that the missions adhere strictly to the Department of Peacekeeping Operations/Department of Field Support policies stipulating the size of individual projects and timelines for their approval and implementation, particularly after	para. 240	With regard to part (a) of the recommendation, the Administration wishes to reiterate that, in accordance with the policy on quick-impact projects issued by the Department of Peacekeeping Operations and the Department of Field Support, the quick-impact project programme is managed under the overall authority of heads of mission, who are responsible for ensuring that appropriate mechanisms for project management and for project selection and monitoring are	(a) (b) and (c) On the basis of the action taken by the Administration, the recommendations are considered to have been implemented.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
the release of the first instalment of payment to the implementing agency; (b) there be documented evaluation of the assessment of capacities and selection of implementing partners to carry out the projects; and (c) quick-impact project management teams consisting of properly trained and dedicated staff be constituted to manage the projects.		established at their missions, and that they are operating effectively and efficiently. The Department of Peacekeeping Operations and the Department of Field Support provide guidance on the policy and good practices to missions, which are then responsible for the implementation of individual projects. The Administration has also taken actions to address part (b). At UNAMID, the capacity of quick-impact project implementing partners and focal points has been strengthened through training provided by the Operation's quick-impact project cell. Training was provided in five sectors of Darfur on quick-impact project guidelines and financial reporting in order to enhance the quality of the submission of documentary and technical requirements, including financial reporting. At UNMISS, the project review committee has made changes in the sub-allocation of funds and the proposal solicitation process. Those changes are expected to expedite the identification and evaluation of proposals as well as the prompt implementation of approved projects. In addition, on 14 December 2015 the Administration issued a directive requesting that all missions that manage quick-impact project programmes review current practices with respect to quick-impact projects and conduct impact evaluations to inform the development of mission-specific standard operating procedures aimed at improving the implementation of such programmes. The Board confirmed, in annex II to its report (A/70/5 (Vol. II), chap. II), that part (c) of the recommendation had been implemented.					

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
Management of human resources							
17. The Board recommends that the Administration take all steps necessary to ensure that the activities planned under the global field support strategy are completed by June 2015 so that the end-state vision and key performance indicators are fully achieved. An important element of such an effort would be effective periodic monitoring of progress achieved. The initiatives rolled out under the strategy should be mainstreamed into the work of the Department of Field Support at the earliest in order to ensure that the momentum achieved is not lost.	para. 273	According to the programme implementation plan, which has been sent to the Board under separate cover, 4 sub-activities are ongoing and are of an ongoing nature. Those activities are considered the responsibility of line management. The mainstreaming of the initiatives rolled out under the strategy has become part of the day-to-day activities of the Department. An example would be the conduct of civilian staffing reviews, which have become standard practice. Similarly, the implementation of supply chain management is one of the departmental priorities and main change efforts within the Logistics Support Division. Accordingly, initiatives have been mainstreamed into the work of the Department	On the basis of the reply, the recommendation is considered to have been implemented.		X		
18. The Board recommends that the resource efficiency group be reconstituted, with a clearly defined role and responsibilities complementing the other structures already in place in a mutually reinforcing manner, to ensure regular review of efficiency measures across the field in order to incorporate practical benefits and savings under the global field support strategy.	para. 291	The legislative bodies have continued to recognize the impact of the work done by the resource efficiency group since the financial year 2012/13, and have called for the group to be reconstituted and for its role in establishing targets and monitoring their implementation and impact to be clearly explained. In its most recent resolution on cross-cutting issues (70/286), the General Assembly requested the Secretary-General to ensure that efficiency efforts were properly implemented, overseen and assessed and that the results of such efforts were reported to the Assembly in a transparent, consistent manner. The primary objectives of the group will include facilitating the sharing of efficient practices across missions and effective reporting, establishing global efficiency initiatives and targets and supporting their implementation in the	Reconstitution of the resource efficiency group is in progress. On the basis of the reply, the recommendation is considered to have been implemented.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		field, establishing key performance indicators and monitoring mechanisms for mission support resource management, establishing key budget parameters and standardized budgeting tools across field operations, acting as a central focal point for the active capture of mission-specific initiatives and their dissemination across all field operations, reviewing and endorsing mission capital expenditure programmes independent of the budget cycle to facilitate global resource management, and ensuring the standardization of efficiency initiatives for reporting to the legislative bodies. The group will be focused on 3 key components: oversight of major reviews to be carried out, including on a mission-by-mission basis; specific review; and reporting of efforts and capturing of benefits generated. The Field Budget and Finance Division will act as the secretariat of the group and support it by ensuring that work programmes and outcomes are adequately recorded and reported. The group is expected to initiate its regular meeting in support of the current budget proposals for 2017/18 in the fourth quarter of 2016. Work will be ongoing as the budget proposals are submitted and reviewed by senior leadership of the Department of Field Support and the Department of Peacekeeping Operations.					
19. The Board recommends that action be taken in a time-bound manner to include a performance indicator to track the geographical deployment of staff at field missions.	para. 306	Owing to competing priorities, the performance review group (headed by the Office of Human Resources Management) is no longer meeting to review the addition of indicators to the human resources management scorecard. However, the Department of Field Support is measuring this indicator independently through the mission dashboard by adding the geographical deployment of staff at field	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		missions as an indicator to the performance and accountability framework. The Field Personnel Division has developed an indicator and already implemented it in its mission-specific dashboards.					
20. The Board recommends that the Administration ensure that the activities under the customer service integration plan are completed in a time-bound manner and that there are no further slippages, so as to ensure that the end-state vision is achieved as envisaged.	para. 312	The General Assembly, in its resolution 69/308, endorsed the roles and responsibilities of the Field Personnel Division and the transfer of the remaining transactional activities to entities outside the Division. Those activities been completed. In addition, the performance and accountability framework, consisting of a concept paper and a background paper that have been sent to the Board under separate cover, had become operational as at 1 April 2016.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
21. The Board recommends that the enabling capacities project be expedited to ensure that service packages can be seamlessly implemented in the field and help in the rapid deployment of modularized camps.	para. 337	The results of the initial project on global mission support teams were presented to the Strategic Project Oversight Committee. The Committee concurred with the conclusion that this was not the correct way to proceed. The commercial statement of requirements is currently being considered by the Department of Field Support and the Procurement Division. The Under-Secretary-General for Field Support approved the rapid deployment concept in August 2015. Subsequently, the Global Service Centre started working to engage the United Nations Office for Project Services with respect to addressing certain resource/project shortfalls.	The recommendation has been overtaken by events.				X
22. The Board recommends that the Administration explore mechanisms to provide remote access to onboarding staff at the missions to complete formalities, thereby obviating the necessity of their visiting the Regional Service Centre. Until such time as check-	para. 358	A review of the onboarding process has been conducted, and only missions with regular flight schedules to Entebbe have staff members check in at the Regional Service Centre. Staff members from all of the Centre's other client missions are onboarded remotely. In addition, the Centre's onboarding and separation service	To the Board's knowledge, a review of the process is still ongoing. The recommendation is under implementation.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
in/check-out services are provided from the Centre, it should report the expenditure incurred on the daily subsistence allowance/mission subsistence allowance of checking-in and checking-out personnel.		line is actively engaged with client missions to streamline the check-in/check-out process. It is expected that the procedures will be reissued during the financial year 2016/17. As civilian predeployment training has been relocated to Entebbe, the Centre's management will revisit options for the checking-in of staff, who attend such training before reporting for duty at their missions. The target date for the implementation of the recommendation is the first quarter of 2017.					
Information and communications technology resources in peacekeeping							
23. Given the similar circumstances, the Board reiterates its recommendation made in paragraph 150 of the report, which emphasizes the need to strengthen the role of the Headquarters Committee on Contracts.	para. 387	The Administration has reviewed the terms of reference of the committees on contracts contained in the administrative instruction on review committees on contracts (ST/AI/2011/8) as well as chapter 12 of the Procurement Manual and confirms that the guidance contained in those documents provides sufficient clarity in terms of the roles of the local committees on contracts and the Headquarters Committee on Contracts, and that no further revisions are required. It should be noted that the role of the committees on contracts is advisory; therefore, ensuring transparency, accountability and adherence to the procurement rules and regulations rests with the delegation holders. The secretariat of the Headquarters Committee on Contracts maintains a record of "other recommendations", whereas the implementation of approved "other recommendations" is monitored by the Office of the Assistant Secretary-General for Central Support Services, as the	The recommendation is considered to have been implemented.	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
		Assistant Secretary-General is accountable for all decisions made pursuant to Headquarters Committee on Contracts recommendations. In addition, management wishes to note that any areas of concern that are identified during the procurement process form part of the agenda for the field assistance visits and training programmes of the Procurement Division. The Headquarters Committee on Contracts secretariat conducts field assistance missions and training programmes aimed at providing support for and enhancing the functioning of the local committees on contracts, including all relevant stakeholders involved in the acquisition process. The Administration considers this recommendation to have been fully implemented. Please also refer to management's comments to the above recommendation in A/69/5 (Vol. II) para. 150.				
24. The Administration agreed with the Board's recommendation that it explore the possibility of shifting, fully or partially, the risk and responsibility of the supply of ICT equipment to the vendor by stipulating the delivery locations at the user missions after undertaking a cost-benefit analysis of such alternative arrangements.	para. 389	The Department of Field Support and the Procurement Division have been engaged in the inclusion of delivery to mission locations in ICT contracts where feasible. The Division has negotiated delivered-at-place/delivered-at-terminal shipping terms with a few vendors and issued contract amendments.	On the basis of the reply, the recommendation is considered to have been implemented.	X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
25. The Board recommends that: (a) the procedures for the utilization of ICT assets, including the determination of whether the procurement was necessary in the first place, be reviewed so as to eliminate such prolonged delays in utilization; and (b) guidelines be formulated on the extent of redundancy required for leased bandwidth.	para. 395	(a) The Global Service Centre has implemented a system whereby requests for purchases must undergo an approval process in the customer relationship management system (iNeed) prior to being processed. The approval is completed by the staff member of the Programme Support Unit of the Service for Geospatial, Information and Telecommunications Technologies who checks stock holdings prior to approval and processing in Umoja. (b) The guidelines for the management of satellite capacity have been promulgated.	On the basis of the action taken by the Administration, parts (a) and (b) of the recommendation are considered to have been implemented.	X		
26. The Board recommends that: (a) the staffing requirements of each mission be reviewed to ensure that the number of staff engaged is commensurate with its requirements; and (b) a separate budget line be introduced to indicate the resource allocations and expenditure in the budgets of missions and those of the Regional Service Centre and the Global Service Centre for the deployment of contractors, as is done with respect to consultants.	para. 401	The Department of Field Support acted on part (a) of the recommendation by implementing a workforce planning tool that provides for the systematic assessment of manpower levels and distribution in line with the requirements of the missions. (b) As previously stated by the Administration, ICT manpower requirements are determined in accordance with the mandates and operational requirements of the missions. The Office of Programme Planning, Budget and Accounts is reviewing the feasibility of providing additional information to the Advisory Committee on Administrative and Budgetary Questions in the form of information supplementary to the budget reports. It is noted that supplementary information regarding historical expenditures on contractual services is already provided to the Advisory Committee each year. The Office is examining, together with the Department of Field Support and the missions, the extent to which manpower requirements can be projected for the purposes of budget submissions.	On the basis of the reply, parts (a) and (b) of the recommendation are considered to have been implemented.	X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
27. The Board recommends that: (a) the Administration develop a comprehensive information security policy that includes detailed protocols that should be followed by missions and user units to secure information technology assets; (b) a concerted awareness drive be undertaken to sensitize users with regard to threats to information security and the basic steps that should be adopted by all for cyberhygiene; (c) missions develop and implement formal information security incident management programmes delineating clearly the roles and responsibilities of ICT security personnel; and (d) the Administration explore the setting-up of an Organization-wide computer emergency response team to coordinate and respond to cyberincidents and cyberthreats and carry out real-time analysis in order to develop defensive measures to secure United Nations information assets, resources and data.	para. 417	The Board confirmed, in annex II to its report (A/70/5 (Vol. II), chap. II), that parts (a) and (b) of the recommendation had been implemented. (c) Missions have received guidance on updating the business continuity plans and disaster recovery plans on a yearly basis. Upon receipt, the security group and the operational requirements group regularly review all updated plans. In addition, an intrusion detection system, in coordination with the Office of Information and Communications Technology, has been deployed to the Department of Field Support central hub at the Global Service Centre and is being closely monitored. The Department's Information and Communications Technology Division has also engaged with the Office to develop and deploy an information security awareness programme, and missions have been advised of the requirement that all mission staff complete this training. Finally, iNeed is utilized as the Department's ICT incident management Software. (d) The Global Service Centre is exploring a subscription to a cyberintelligence feed and is working with all missions' security focal points to identify the best security incident and event management solution to address threats and incident response. The first draft of the feasibility study for the implementation of a computer security incident response team project is being produced. The team has already agreed on the content, and the document will be	Parts (a), (b) and (c) of the recommendation have been implemented. The action on part (d) is in progress. The recommendation remains under implementation.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		released for review in the first quarter of 2017. The target date for the project and its related programmes to be up and running is the second quarter of 2017.					
Subtotal (percentage)				**22 (82)**	**3 (11)**		**2 (7)**
A/70/5 (Vol. II), chap. II, for the year ended 30 June 2015							
Asset management							
1. The Board reiterates its recommendation that the Administration review the useful lives of fully depreciated assets that are still in use, as required by IPSAS.	para. 18	The Administration is planning to replace Galileo with asset accounting in Umoja by the end of 2017, and the detailed review of the useful lives of fully depreciated assets will commence immediately using Umoja and will be reflected in the financial statements as at 30 June 2018, as required by IPSAS.	The Board comments on the review of the useful lives of fully depreciated assets that are still in use in the present report. Therefore, the Board considers this recommendation to have been overtaken by events.				X
Budget formulation and management							
2. The Board reiterates its recommendations made in its previous report that: (a) efforts be intensified to make the budget as realistic as possible by exercising greater vigilance and control over budget formulations factoring in actual conditions and historical trends; and (b) redeployments be minimized and that they be permitted only with full justification detailing the change in priorities or circumstances that could not have been anticipated.	para. 33	(a) The Department of Field Support reiterates that variances (and their consequence, budget redeployments) are inevitable between appropriations and expenditure when circumstances that were not foreseeable at the time of budget formulation arise during the period of budget implementation. Nevertheless, the Department remains committed to improving budget formulation and management through refined costing requirements, realistic planning assumptions and improvements in budgetary control.	The recommendation remains under implementation. Please refer to the long-form report of the Board.		X		

Summary of recommendations	Reference	Management response in brief	Status after verification				
			Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		(b) The Department of Field Support reiterates that variances (and their consequence, budget redeployments) are inevitable between appropriations and expenditure when circumstances that were not foreseeable at the time of budget formulation arise during the period of budget implementation. Nevertheless, the Department remains committed to improving budget formulation and management through refined costing requirements, realistic planning assumptions and improvements in budgetary control.					
3. The Board reiterates its earlier recommendations that the Administration: (a) strengthen asset management and monitoring practices in accordance with the directive for property management; (b) improve acquisition planning by establishing a closer linkage between actual procurement and delivery of items and their actual requirement and deployment; (c) ensure periodic physical verification of inventory and timely tracing of assets that are not found; and (d) enhance the database relating to movement and usage of stock for more accurate decision-making and assessments.	para. 58	(a) The Department of Field Support has issued a directive and a workplan on property management for the financial year 2015/16, defining key actions for improvement. During the reporting period, missions' performance was systematically reviewed within the quarterly reporting regime. Recommendations for corrective actions were provided through quarterly performance reports, as well as through thematic and mission-specific facsimiles. Additional follow-up on the progress of implementation of key actions, performance issues and related solutions was done through regular videoteleconferences. In August 2016, a biannual property management performance review was conducted at the Department's directors' meeting, at which management decisions for improving stewardship and accountability with respect to United Nations property were made. On the basis of a directors' meeting decision made in August 2016, the Department has introduced a property management performance index as a method of aggregating complex	(a), (c) The Board acknowledges the actions taken and closes these parts of the recommendation. (b) The Board comments on the global acquisition plan in the present report. It considers this part of the recommendation to have been overtaken by events. (d) To the Board's knowledge, Galileo decommissioning has been postponed until 2017. Therefore, this part of the recommendation remains under implementation.			X	

Summary of recommendations	Reference	Management response in brief	Status after verification			
			Board's assessment	Implemented	Under implementation	Not implemented / Overtaken by events
		performance information into a simplified measure, which will be used as an indicator of achievement in the results-based-budgeting framework. In addition to the actions reflected in paragraph 115 of A/70/724, the Global Service Centre, under the initiative of the Under-Secretary-General for Field Support, has launched the inventory optimization project, aimed at meeting the following objectives: (a) to maximize effective and efficient utilization of United Nations assets deployed at field missions; (b) to ensure the receipt of the full economic benefit and service potential of Department of Field Support assets; (c) to optimize property holdings on the basis of the re-evaluation of requirements through the identification of surplus and redistribution, write-off and disposal of aged, obsolete and unserviceable United Nations-owned equipment; (d) to set up a foundation for realistic requirement formulation, demand forecasting, enhanced acquisition planning and strengthened global asset management, including results-driven Global Service Centre clearing-house processes; and (e) to increase the level of accuracy and completeness of the data contained in property records in support of IPSAS and the Galileo decommissioning project.				

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
4. The Board recommends that the Administration strengthen the composition review process for strategic deployment stocks in consonance with field requirements and ensure that items in strategic deployment stocks are regularly rotated.	para. 66	The Global Service Centre reiterates that it has already established a robust strategic deployment stocks composition review process, which involves detailed analysis of the consumption history of such stocks and field missions' acquisition trends over the past five financial years; alignment with the global field support strategy modularization programme requirements; technological advancements; current stock levels; and procurement lead times. An effective stock rotation process is already in place in compliance with the revised policy of the Department of Field Support entitled "Global asset management: clearing-house role", in which missions are required to obtain clearance from the Global Service Centre prior to entering into any sourcing activity.	The strategic deployment stocks are under the review of OIOS. Therefore, the recommendation remains under implementation.		X		
Travel management							
5. The Board recommends that the Administration: (a) continue to make efforts to improve budget planning and control overexpenditure on travel; (b) ensure strict enforcement of the policy on advance purchase of tickets, except in exceptional circumstances; (c) determine accountability for deviations from the rules and instructions; and (d) consider fixing responsibility for travel without prior written authorization.	para. 78	(a) The Department of Field Support reiterates that variances are inevitable between appropriations and expenditure when circumstances that were not foreseeable at the time of budget formulation arise during the period of budget implementation. Nevertheless, the Department remains committed to improving budget formulation and management through refined costing requirements, realistic planning assumptions and improvements in budgetary control. (b), (c), (d) The Field Personnel Division of the Department of Field Support has assisted the Travel and Transportation Service of the Office of Central Support Services of the Department of Management in the past in monitoring missions' compliance with the travel policy by sending code cables regarding	On the basis of the reply on part (a) of the recommendation, it is considered to have been implemented. (b), (c), (d): The Department of Management stated that the Department of Field Support was responsible for the implementation of these parts of the recommendation. However, the Field Personnel Division of the				X

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		compliance with the 16-day rule and consolidating inputs from missions. However, with the deployment of the travel module in Umoja, of which the Office of Central Support Services is the proponent office, the Division plays less of a role in the administration and/or monitoring of travel. In addition, under the current delegation-of-authority framework, the Division does not have delegated travel authority or tools to exercise oversight functions over these functions. As a result, the Division is unable to enforce accountability in travel management for field missions and cannot sub-delegate, monitor or recall travel authority from missions if necessary.	Department commented that, while it sent code cables to missions, it played less of a role in the administration and/or monitoring of travel. Furthermore, it noted that it did not have delegated travel authority. Since the Administration has not provided evidence of the implementation of these parts of the recommendation, they have not been implemented.				
Vehicle fleet management							
6. The Board reiterates its previous recommendation that the Administration continue its efforts to eliminate excess holdings of light passenger vehicles in missions.	para. 82	The Administration's comment is reflected in paragraph 81 of the Board's report. In addition, the Administration wishes to clarify that the reduction of the light passenger vehicle fleet is directly associated with the reduction in the number of staff present in a mission area. The drawdown, which in most cases is completed at the end of a given financial period, is the starting point for initiating the write-off and disposal of vehicles. As a result, the write-off and disposal processes continue beyond the end of the financial period in most cases.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
Air transportation							
7. The Board recommends that the Administration expeditiously complete the trend analysis of utilization of air assets by different missions to facilitate decisions for right-sizing the air fleet to ensure optimum utilization.	para. 94	As reported earlier, the Department of Field Support requested that all field missions conduct a trend analysis with respect to the utilization of air assets. On the basis of the results and missions' revised concepts of operations, fleets were resized at some missions, whereas other missions started to make use of shared air assets.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
8. The Board recommends that the Administration urgently: (a) investigate the 180 instances cited above and effect recoveries, if due, from the contractors; and (b) develop a standard operating procedure for periodic data analysis of the electronic monthly aviation reports and for verification of invoices received from the air charters before releasing payments.	para. 97	(a) After further investigation, the recommendation seems to be wholly based on the misconception that the number of aircraft non-available days for a given aircraft, and the number of "days in support of mission" are intended to add up to the total number of days in the given month in the electronic monthly aviation report. The Department of Field Support wishes to clarify that "days in support of mission" are actually intended to reflect the number of days that a given aircraft is contractually expected to be "present" at a given mission (or missions) during the month in question, regardless of whether it is serviceable, and should always constitute the number of days in the month in question, unless the contract in question commenced after the first day of the month or terminated before the last. For example, aircraft having 30 days in support of UNMIL in June 2016 can also have 15 non-available days, or even 30. These numbers should never be added up to determine the total number of days in a given month in the electronic monthly aviation report. (b) The electronic monthly aviation reports were replaced by the Aviation Information Management System (AIMS). To streamline the invoice payment process,	On the basis of the reply, part (a) of the recommendation is considered to have been implemented. Part (b) of the recommendation has been overtaken by events.				X

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		the Air Transport Section, in coordination with the Insurance and Disbursement Service and the Vendor Claims and Accounting Unit, implemented, effective 1 December 2015, a new service validation model. Under the new model, the Section submits Umoja/AIMS service entry reports to the Unit each month, advising it what amount should be paid on a mission/vendor/contract/purpose basis, thereby eliminating the need to print, record, circulate, verify and process more than 400 invoices per month, significantly reducing the amount of time involved in verifying services rendered and payment calculations, invoice by invoice.					
9. The Board recommends that the reasons for continued non-compliance with the instructions be reviewed and an effective mechanism put in place to ensure due coordination and accountability for compliance.	para. 104	In April 2016, the Global Service Centre issued the first semi-annual report addressing non-compliance issues to senior-level managers (the Under-Secretary-General for Field Support and the Director of the Logistics Support Division). The report was shared with the Board under separate cover.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
10. The Board recommends that the Administration review its requirements for unmanned aerial vehicle systems in order to optimize their numbers and usage and assess whether costs can be reduced without compromising operations.	para. 110	The employment and utilization of unmanned aerial vehicle systems is subject to the operational tempo and the concept of operations at every mission. In order to optimize the number and increase the usage of such systems, previous lessons learned are being applied to the new acquisition process and operations.	As reported by the Administration, the recommendation is still under implementation.		X		
Procurement and contracting							
11. The Board recommends that the Administration provide training and guidance and strengthen oversight and internal controls in the area of procurement to ensure adherence to the stipulations in	para. 154	Office of Central Support Services/Department of Management: the Procurement Division conducted an internal compliance review that confirmed the efficacy of the current provisions of the Procurement Manual with regard to	The Board comments on this in the present report.				X

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
the Procurement Manual relating, in particular, to the evaluation of bids, the securing of valid performance securities and the application of provisions relating to liquidated damages to secure the interests of the United Nations.		performance and bid securities. In addition, management wishes to note that guidance on the topics highlighted in the recommendation is also routinely provided to missions during procurement assistance visits. Thus, the Administration considers this recommendation to have been implemented. Department of Field Support: A chief procurement officers' conference was convened from 31 May to 3 June 2016, which further informed and educated chief procurement officers on various important procurement issues, developments and initiatives. In addition, on the basis of the most recent statistics provided by the Department of Management, the approximate number of field and Department of Field Support staff members who have successfully completed the available procurement-related training courses is as follows: "Fundamentals of procurement" — 1,150; "Overview of the Procurement Manual" — 800; "Best value for money" — 900; "Ethics and integrity in procurement" — 925; "Acquisition planning" — 320; "Contractual issues in purchasing" — 230; and "Contract management" — 850.					
12. The Board reiterates its earlier recommendation that the Administration ensure due coordination between sections dealing with procurement and contracting and approving authorities to ensure that early payments are made and the prompt payment discounts are secured.	para. 158	Missions have introduced invoice tracking systems to facilitate prompt payment and use of related discounts in line with the terms of contracts. The prompt payment discount used by UNISFA and UNMISS was provided to the Board under separate cover as proof that missions used such discounts.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
13. The Board reiterates its earlier recommendation that the Administration ensure timely finalization of the regional acquisition plan and continue to actively encourage utilization of regional systems contracts.	para. 168	The Regional Procurement Office has been reaching out to the client missions in many ways and in a concerted way, including by distributing contract catalogues. These have been previously shared with the Board and are available for further review upon request if necessary. Thus, the Administration considers this recommendation to have been implemented.	The Board comments on this in the present report.				X
Management of construction Projects							
14. The Board recommends that missions: (a) prepare their annual construction plans in a more realistic manner, taking into account all foreseeable factors and local conditions, and thereafter ensure their timely implementation through strict monitoring to resolve any impediment that may arise; (b) strengthen the process of evaluation and selection of contractors; (c) enforce execution of contracts in accordance with the contractual stipulations; and (d) ensure due coordination of various linked activities, such as procurement and obtaining site clearances, with the work schedule of the projects.	para. 181	The Administration has taken corrective actions to address the recommendation. In coordination with the Department of Peacekeeping Operations, an independent senior-level working group representing the Department of Field Support, missions and service centres has finalized the supplemental guidance on the governance of major construction projects at field missions. The supplemental guidance was issued in October 2015 to assist all peacekeeping and special political missions in planning and implementing construction projects. The missions have taken corrective actions accordingly.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			
Quick-impact projects							
15. The Board recommends that the missions: (a) ensure timely action in the beginning of the financial year for the selection and approval of quick-impact projects, taking into account all factors affecting implementation so that the projects are completed	para. 194	(a), (b), (c) The Department of Peacekeeping Operations and the Department of Field Support are conducting a review to identify bottlenecks in the implementation of quick-impact projects that will result in the revision of the 2013 policy and the 2011 guidelines regulating the management of	The recommendation is under implementation.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
within the targeted time; (b) improve internal coordination between its Budget and Finance and Quick-Impact Projects sections to ensure the timely release of payments; and (c) enhance project monitoring and evaluation.		such projects. In that regard, the Departments have established a cross-mission task force, which is composed primarily of field staff from quick-impact project management teams and mission budget and finance sections, as well as the Departments.					
Management of human resources							
16. The Board recommends that the Administration ensure that missions and the Regional Service Centre in Entebbe review the vacancies and prioritize recruitment in a time-bound manner.	para. 201	The monitoring of vacancy rates at all missions and service centres, including the Regional Service Centre in Entebbe, is part of the monitoring role of the Field Personnel Division of the Department of Field Support. The vacancy rate at each mission has been included as one of the indicators of the human resources analytics dashboard to help the Division monitor this issue. The regional desks of the Division monitor vacancy rates on a regular basis and provide guidance to missions when they are not meeting their recruitment targets. Indicators are monitored by the Desk Officer twice a year (April-June for end-of-year review and October-November for workplan and midterm review). In cases in which missions have been unable to reduce vacancy rates on their own, the Division has worked with them to develop recruitment plans specific to their needs in order to reduce the rates. Examples of recruitment plans were shared with the Board under separate cover.	The Regional Service Centre in Entebbe has filled critical positions and prioritized the remaining vacant positions. On the basis of the action taken, the recommendation is considered to have been implemented.	X			
17. The Board recommends that the Administration: (a) ensure that staff performance appraisals are performed and completed in accordance with the Staff Rules and Staff Regulations of the United Nations; and (b) evaluate	para. 207	The monitoring of the completion of e-performance reports at missions is part of the monitoring role of the Field Personnel Division of the Department of Field Support, and the completion of staff performance appraisals has been included as one of the indicators on the human	The recommendation has been reiterated in the present report and is treated as closed here.				X

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
and document the performance of all consultants and individual contractors for future reference, especially during the renewal of contracts.		resources analytics dashboard. The Division has included the monitoring of these indicators by desk officers twice a year (April-June for end-of-year review and October-November for workplan and midterm review). In addition, the Division provides guidance to missions when they are not meeting their required targets. The Division has also developed and implemented a monitoring process that includes two e-performance campaigns aimed at monitoring compliance and the timely completion of midterm and end-of-cycle reviews. Such monitoring campaigns involve regular communication with the human resources sections of missions on the overall compliance rate for both the midterm and end-of-cycle reviews. In addition, a detailed yearly report on the status of each staff member is shared with field missions. Through this report, the human resources section can proactively follow up with staff members and first reporting officers to conclude the performance appraisal in a timely fashion. Completion of e-performance has also been included in the senior managers' compact, and heads of mission are accountable for ensuring compliance at their mission to help increase compliance.					
Medical services							
18. The Board recommends that missions: (a) ensure the optimal utilization of available resources for the provision of appropriate medical support to field personnel; (b) roll out the hospital information management system at all missions within a fixed time frame; and (c) improve procurement practices relating to medical supplies.	para. 216	(a) With regard to MINUSCA, the establishment of a United Nations-owned equipment level I clinic in Bangui is complete. With regard to the Aeromedical Evacuation Team, four teams, with three level II facilities and one level I facility, are located in Bangui, Kaga Bandoro, Bria and Bouar, respectively. (b) The hospital information management system has been deployed at all	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
		peacekeeping missions with United Nations-run clinics except UNSOS, where clinic services are outsourced. (c) The establishment of a United Nations-owned equipment level I clinic in Bangui is complete. With regard to the Aeromedical Evacuation Team, four teams, with three level II facilities and one level I facility, are located in Bangui, Kaga Bandoro, Bria and Bouar, respectively.				
Environmental and waste management						
19. The Board recommends that: (a) MINUSCA expedite and implement the action plan based on the UNEP report and United Nations guidelines with clear timelines for completion that should also be suitably reflected in its budget projections; (b) UNMIL ensure waste minimization through the disposal of solid waste and compliance with the environmental policy; and (c) UNSOA develop a plan for undertaking and updating environmental baseline studies of all mission locations and develop an effective mechanism for the monitoring of the requirements of the environmental policy.	para. 232	(a) The MINUSCA action plan has been sent to the Board under separate cover. (b) UNMIL is now efficiently disposing of all types of waste through contracts and commercial sales. In the second half of 2015 and during the period of the Board's prior-year visit, there was a delay in the disposal of scrap as a result of a gap between the expiration of the old contract and the finalization of the new one. As at 27 October 2015, the solid waste stored at the property disposal yard, which was noted by the Board, had been properly disposed of. In addition, all five UNMIL property disposal yards for solid scrap, used oil and batteries have sufficient space for the segregation of waste and are regularly cleaned to avoid any harmful impact on the environment. (c) UNSOS has developed a partnership with the United Nations Human Settlements Programme to undertake environmental baseline studies. The mission has also increased the capacity of its staff to monitor environmental activities, as reflected in its 2016/17 budget proposal that includes an Environmental Compliance Unit in the Office of the Director, headed by a P-4.	On the basis of the action taken by the Administration, the recommendation is considered to have been implemented.	X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
Enterprise risk management						
20. The Board recommends that all missions and service centres complete the development of structured risk registers as part of the implementation of enterprise risk management in accordance with the Department of Peacekeeping Operations/ Department of Field Support guidelines, monitor and update the risks and take steps to mitigate them by making it part of the senior management review and decision-making.	para. 242	In addition to the pilot risk assessment completed at MONUSCO in early 2015, risk registers were developed at three missions (UNIFIL, UNMIK and UNMIL) and the Global Service Centre during the financial year 2015/16. Training was provided to risk management focal points in April 2016 at a workshop held at the Regional Service Centre in Entebbe. The Department of Field Support has continued the phased implementation of enterprise risk management at the remaining missions and has provided guidance to establish risk management capacities. The target date for the implementation of the recommendation is the second quarter of 2018.	The recommendation is under implementation.		X	
Implementation of the global field support strategy						
21. The Board recommends that: (a) mainstreaming activities be monitored through documented regular meetings of the Strategic Project Oversight Committee and other institutional mechanisms to ensure timely and effective risk mitigation and mid-course corrections; and (b) the global field support strategy approaches and tools identified for mainstreaming be embedded in the relevant standard operating procedures and manuals so that their benefits may be realized.	para. 259	(a) The Administration has taken a more structured approach to the use of its management forums. Weekly Department of Field Support directors' meetings that include the review of a specific support-related topic are being held. The schedule of directors' meetings has been sent to the Board under separate cover. These meetings include the review of critical components of the implementation of activities initiated under the global field support strategy, such as the workplan and the status of systems contracts. Decision notes and tracking of the implementation of decisions made at the meetings are regular occurrences. Moreover, the Strategic Project Oversight Committee meets to review, discuss and provide direction for departmental priority initiatives such as field budget priorities,	On the basis of the reply, part (a) of the recommendation is considered to have been implemented. Part (b) of the recommendation is under implementation.		X	

Summary of recommendations	Reference	Management response in brief	Status after verification				
			Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		supply chain management and environmental management. The presentation, terms of reference and agendas have been sent to the Board under separate cover. In addition, the Department has set up a client board composed of members of client departments at Headquarters as well as representative force commanders, police commissioners and civilian chiefs of staff from the field. Please see the terms of reference that have been sent to the Board under separate cover. (b) This part of the recommendation is under implementation. In terms of mainstreaming the global field support strategy approaches, the Department of Field Support has made further progress, including, for example, by refining its management forums, designing new mission and vision statements for the Department, scaling up work on the supply chain management strategy, introducing a harmonized performance framework for mission support components in the results-based budgets for the 2017/18 financial period, institutionalizing the Department of Field Support global client satisfaction survey, delivering a proposal on expanding shared-service coverage in the context of the global service delivery model, continuing the civilian staffing reviews and expanding options for enabling capacity through the United Nations Office for Project Services. In terms of mainstreaming global field support strategy tools and guidance, the Division of Policy, Evaluation and Training-led revision of the Mission Start-up Field Guide is expected to be completed in early 2017 and will incorporate the global field support strategy tools checklist. The Guide					

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		will also include the revised mission structures for field support components promulgated as part of the strategy. Other guidance materials under development are based on outcomes of the strategy; for example, the new interim guidance on centralized warehousing, the draft centralized warehousing operations manual promulgated in July 2016, the cost-benefit analysis guidelines and the environmental strategy. The target date for the implementation of the recommendation is the fourth quarter of 2018.					
22. The Board recommends that, in the period following the implementation of the global field support strategy, clear institutional mechanisms be established to assess and report periodically on the efficiencies achieved.	para. 268	In its most recent resolution on cross-cutting issues (70/286), the General Assembly requested the Secretary-General to ensure that efficiency efforts were properly implemented, overseen and assessed and that the results of such efforts were reported to the Assembly in a transparent, consistent manner. Consequently, the resource efficiency group is expected to initiate its regular meeting in support of the current budget proposals for 2017/18 in the fourth quarter of 2016. The group will be focused on 3 key components: oversight of major reviews to be carried out, including on a mission-by-mission basis; specific review; and reporting of efforts and capturing of benefits generated. The Field Budget and Finance Division will act as the secretariat of the group and support it in ensuring that work programmes and outcomes are adequately recorded and reported.	Reconstitution of the resource efficiency group is in progress. On the basis of the reply, the recommendation is considered to have been implemented.	X			
23. The Board recommends that: (a) the implementation of the workforce planning framework progress in a time-bound manner; (b) steps be initiated to improve the quality and robustness of the	para. 282	(a) The Field Personnel Division promulgated the Workforce Planning User Guide for Field Operations in December 2015. The Guide describes roles and responsibilities with regard to the implementation of workforce planning and	On the basis of the reply, parts (a), (b) and (d) of the recommendation are considered to		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
rosters and expedite the process of filling vacancies in missions; (c) the activities relating to the succession management plan be completed in a time-bound manner, especially the compiling of a skills inventory and the reprofiling and certification of posts; and (d) steps be initiated to validate the monitoring and accountability framework.		has been distributed to all missions and to staff members of the Division. The Guide and the e-mail correspondence distributing the Guide to missions have been sent to the Board under separate cover. The Division remains at the disposal of missions for guidance and advice, as the missions are responsible for implementing the methodology. In addition, the Division has designed a dedicated workforce planning fundamentals module for the online training of the human resources community at field missions and in the Division. To date, 312 staff have completed the workforce planning fundamentals module, 80 per cent of whom are from field missions. (b) To improve the quality and robustness of the roster and expedite the filling of vacancies at missions, the Department of Field Support has implemented a number of measures relating to the entire rostering and recruitment process. The steps of attracting, identifying, evaluating, rostering and selecting qualified and suitable candidates have been streamlined. For example, for the planning stage, analytics have been put in place to identify rosters that need to be either populated or replenished. For the candidate outreach stage, a new platform called Web of Information for Development (WIDE) has been implemented to identify and attract candidates. For the screening stage, the Inspira system has been enhanced to facilitate the screening of applications. For the candidate evaluation and recommendation stage, new templates have been developed to enhance objectivity and reduce timelines. In fact, the lead time for recruitment from the roster for peacekeeping missions,	have been implemented. Part (c) of the recommendation is under implementation.				

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		calculated from the closing of the advertisement to the selection of the candidate, was reduced from 59 days in 2014/15 to 52 days in 2015/16. For the rostering stage, a recruitment dashboard has been developed and refined to monitor the use of the rosters by field missions and related selection timelines. (c) The succession management concept and plan are complete, and the compilation of a skills inventory and the reprofiling and certification of posts are under implementation. (d) The performance and accountability framework consists of a concept paper and a background paper, which became operational on 1 April 2016.					
24. The Board recommends that the Administration: (a) determine specific timelines for the implementation of the strategy document for supply chain management and the road map and monitor the target dates for various activities; (b) examine why some modules developed by the Global Service Centre had not been deployed so as to optimize their design to meet mission requirements; and (c) finalize the road map for the implementation of additional enabling capacities for field support.	para. 294	(a) Annex A to the supply chain management blueprint provides timelines for the implementation of the strategy. (b) The Administration reiterates that the deployment of modules is demand-driven. Instead of discontinuing designs, the Global Service Centre optimizes and modifies existing modules to meet mission requirements. (c) The Global Service Centre pursued the concept of implementing enabling capacity in conjunction with the United Nations Office for Project Services. In the initial Global Service Centre budget proposal for the financial year 2016/17, funds were requested for that purpose, yet, the request was not supported by the General Assembly.	On the basis of the reply, parts (a) and (b) of the recommendation are considered to have been implemented and part (c) to have been overtaken by events.[a]		X		

[a] The status of part (a) of the recommendation has been changed from "Under implementation" to "Implemented". This change is not included in the statistics (see sect. II.B.1, "Follow-up of previous recommendations of the Board").

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
25. The Board recommends that the Administration: (a) develop the implementation plan to provide a range of skilled enabling capacities to field missions for the construction or installation of modules and facilities; and (b) review the systems contracts to determine the types of enabling capacities, pricing and conditions as planned in the strategic plan for the global field support strategy modularization pillar.	para. 302	(a) The enabling capacities have been mainstreamed into systems contracts, under the responsibility of the Logistics Support Division for modularized camps, supported by mission support teams from the Global Service Centre. (b) The Department of Field Support prepared the proposed statement of work for engineering-related standby design/construction commissioning services and submitted it to the Procurement Division.	On the basis of the reply, part (a) of the recommendation is considered to have been overtaken by events. Part (b) of the recommendation is considered to have been implemented.		X		
26. The Board recommends that the Administration: (a) expedite the completion of transfer of services from the missions to the Regional Service Centre in Entebbe as originally envisaged; and (b) review the definition of service lines so as to ensure that it captures the end-to-end process.	para. 304	Substantiating evidence showing that the functions from UNSOS had been fully transferred as at 1 July 2016, as well as that national staff administration functions had been transferred to the Regional Service Centre in Entebbe from its client missions as at 1 July 2016, was provided to the Board under separate cover.	While some functions were retained by the missions (in particular, check-in/check-out and cashier functions), most have been transferred. The Board closes this recommendation.		X		
27. The Board recommends that the Administration develop a cost-benefit analysis methodology, including benefits realization plans that can be empirically verified to provide assurance regarding the benefits that have accrued or are expected to accrue as a result of the implementation of the global field support strategy.	para. 319	The Department of Field Support has completed the development of a standardized cost-benefit analysis methodology and expects to complete guidelines on benefits tracking by March 2017. The methodology will facilitate a uniform cost-benefit analysis approach moving forward and help to create a shared understanding among internal and external stakeholders on how the costs and benefits of reform initiatives can be empirically established and verified. The cost-benefit analysis methodology has been shared with the Board. The target date for the implementation of the recommendation is the fourth quarter of 2017.	The recommendation is under implementation.			X	

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
Information and communications technology resources in peacekeeping operations							
28. The Board recommends that the Administration strengthen budgetary formulation and control mechanisms to reduce the variances between allocations and expenditure.	para. 326	The Department of Field Support reiterates that variances are inevitable between appropriations and expenditure when circumstances that were not foreseeable at the time of budget formulation arise during the period of budget implementation. Nevertheless, the Department remains committed to improving budget formulation and management through refined costing requirements, realistic planning assumptions and improvements in budgetary control.	On the basis of the reply, the recommendation is considered to have been implemented and to be closed.	X			
29. The Board recommends that the Administration: (a) review the turnover of ICT assets to optimize their utilization before they become obsolete or outdated; and (b) standardize the criteria and methodology for the Information and Communications Technology Division stock holdings to ensure reliable ICT asset management data for decision-making with regard to procurement planning, deployment, write-off and disposal of items.	para. 338	(a) The Department of Field Support has issued a directive and a workplan on property management for the financial year 2015/16, defining key actions for improvement. During the reporting period, missions' performance was systematically reviewed within the quarterly reporting regime. Recommendations for corrective actions were provided through quarterly performance reports, as well as through thematic and mission-specific facsimiles. Additional follow-up on the progress of implementation of key actions, performance issues and related solutions was done through regular videoteleconferences. In August 2016, a biannual property management performance review was conducted at the Department's directors' meeting, at which management decisions for improving stewardship and accountability with respect to United Nations property were made. On the basis of a directors' meeting decision made in August 2016, the Department has introduced a property management performance index as a	On the basis of the action taken by the Administration, the recommendations are considered to have been implemented.	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		method of aggregating complex performance information into a simplified measure, which will be used as an indicator of achievement in the results-based-budgeting framework. In addition to the actions reflected in paragraph 115 of A/70/724, the Global Service Centre, under the initiative of the Under-Secretary-General for Field Support, has launched the inventory optimization project, aimed at meeting the following objectives: (a) to maximize effective and efficient utilization of United Nations assets deployed at field missions; (b) to ensure the receipt of the full economic benefit and service potential of Department of Field Support assets; (c) to optimize property holdings on the basis of the re-evaluation of requirements through the identification of surplus and redistribution, write-off and disposal of aged, obsolete and unserviceable United Nations-owned equipment; (d) to set up a foundation for realistic requirement formulation, demand forecasting, enhanced acquisition planning and strengthened global asset management, including results-driven Global Service Centre clearing-house processes; and (e) to increase the level of accuracy and completeness of the data contained in property records in support of IPSAS and the Galileo decommissioning project. (b) The Department of Field Support has decommissioned the legacy inventory management system (Galileo) and replaced it with an integrated end-to-end Umoja materials management solution.					

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
30. The Board reiterates its previous recommendation for a more empirical and transparent procedure for the setting of standards that defines operational requirements and is informed by a market research and cost-benefit analysis.	para. 342	On 3 November 2016, the Chief Information and Technology Officer promulgated an updated version of the ICT standardization procedure. In addition to reflecting the institutional changes described in ST/SGB/2016/11, it addresses the role of the Architecture Review Board and the Project Review Committee with respect to the evaluation of costs, giving full consideration to the primacy of the Procurement Division in the commercial evaluation of bids received in response to requests for proposal and other procurement mechanisms. The issue of cost-benefit analysis is addressed as part of the ICT governance process that is currently being reviewed.	The recommendation is under implementation.		X		
31. While acknowledging the steps taken by the Administration in response to its earlier recommendations, the Board recommends that the Administration: (a) ensure that both the business continuity plans identifying critical software and data and the disaster recovery plans are in place in all peacekeeping missions within a defined time frame; (b) implement network intrusion detection and incident management software in all missions; and (c) conduct information security awareness programmes in all missions and departments.	para. 348	(a) The Global Service Centre's disaster recovery plan was issued in July 2015, and its business continuity plan was completed in September 2015. The plans have been sent to the Board under separate cover. (b) The Department of Field Support, in coordination with the Office of Information and Communications Technology, deployed an intrusion detection system to the central hub of the Global Service Centre, which is closely monitored. iNeed is utilized as the tool for recording all escalated intrusion detection system incidents. (c) The Office of Information and Communications Technology developed and deployed an information security awareness programme, and missions have been advised of the requirement that all mission staff complete that training. All resources are stored in the Global Service Centre's information security management website repository, which has a dedicated	On the basis of the action taken by the Administration, the recommendations are considered to have been implemented.		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		area for security awareness. Evidence and documentation of all activities regarding information security can be found in that repository, and access can be provided upon request.					
Subtotal (percentage)				**15 (49)**	**10 (32)**	**1 (3)**	**5 (16)**
Total (percentage)				**39 (62)**	**16 (25)**	**1 (2)**	**7 (11)**

Annex III

A. Variations between revised appropriation and expenditure per mission during the financial year 2015/16

(Thousands of United States dollars)

	MINURSO	*MINUSCA*	*MINUSMA*	*MINUSTAH*	*MONUSCO*	*UNAMID*	*UNDOF*	*UNFICYP*	*UNIFIL*	*UNISFA*	*UNMIK*	*UNMIL*	*UNMISS*	*UNOCI*	*UNSOS*	*Total missions*	*Support account*	*UNLB*
Military and police personnel	(216)	(260)	(18)	0	(12 526)	(20)	1	(1 459)	(20 216)	(13)	(162)	(21 990)	(40 300)	(23 187)	(30)	(120 396)	–	–
Civilian personnel	(6)	(36)	(119)	(10 454)	(6 586)	(23 232)	1	(286)	(1 865)	(82)	(310)	(481)	(40)	(4 422)	(419)	(48 337)	(438)	(34)
Operational requirements	(748)	(13 318)	25	(14 897)	(2 140)	(34 797)	(641)	(1 303)	(2 854)	(2 536)	(254)	(8 937)	(5 660)	(21 072)	(638)	(109 770)	(173)	(24)
Civilian electoral observers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Consultants	(2)	(303)	(71)	(753)	(346)	(85)	3	(8)	–	(152)	(27)	(88)	(279)	(208)	(492)	(2 811)	(79)	–
Official travel	1	(1)	(49)	(75)	–	(1 146)	2	–	(185)	(120)	(31)	(499)	(161)	(886)	48	(3 102)	(72)	15
Facilities and infrastructure	–	(1)	256	(9 173)	–	(11 836)	(307)	(804)	(722)	(1 256)	(76)	(4 524)	(565)	(5 559)	(197)	(34 764)	170	834
Ground transportation	(69)	(5 714)	(5)	(709)	1	(95)	(86)	(2)	(91)	(437)	(46)	(1 798)	(62)	(1 586)	(124)	(10 823)	57	(117)
Air transportation	(431)	(595)	–	(702)	(1 095)	(10 855)	–	(372)	–	(485)	–	(1 236)	(3 875)	(6 255)	222	(25 679)	16	61
Naval transportation	–	(22)	(4)	–	–	(6)	(125)	(22)	(524)	–	–	(113)	(65)	(2)	–	(883)	–	–
Communications	(221)	(117)	(32)	(2 852)	–	(5 294)	(59)	(60)	(549)	9	(78)	(673)	(24)	(1 609)	(59)	(11 618)	61	(3 865)
Information technology	–	(4 628)	–	(1)	–	(908)	(70)	(11)	(199)	(31)	(9)	(8)	(98)	(111)	48	(6 026)	267	3 388
Medical	(26)	(1 905)	11	(632)	–	(589)	–	1	(387)	(24)	–	(21)	(307)	(481)	(1)	(4 361)	135	(268)
Special equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other supplies, services and equipment	–	(1)	(51)	–	(700)	(3 983)	1	(25)	(196)	(40)	14	26	(48)	(4 366)	(83)	(9 452)	(728)	(72)
Quick-impact projects	–	(31)	(30)	–	–	–	–	–	(1)	–	(1)	(3)	(176)	(9)	–	(251)	–	–
Voluntary contributions in kind (budgeted)	65	–	–	–	(1 439)	–	–	(426)	–	–	–	–	–	–	–	(1 800)	–	–
Total	**(905)**	**(13 614)**	**(112)**	**(25 351)**	**(22 691)**	**(58 049)**	**(639)**	**(3 474)**	**(24 935)**	**(2 631)**	**(726)**	**(31 408)**	**(46 000)**	**(48 681)**	**(1 087)**	**(280 972)**[a]	**(611)**	**(58)**

Source: Financial statements of peacekeeping operations.

[a] Including the support account and UNLB.

B. Redeployments per mission during the financial year 2015/16

(Thousands of United States dollars)

	MINURSO	*MINUSCA*	*MINUSMA*	*MINUSTAH*	*MONUSCO*	*UNAMID*	*UNDOF*	*UNFICYP*	*UNIFIL*	*UNISFA*	*UNMIK*	*UNMIL*	*UNMISS*	*UNOCI*	*UNSOS*	*Total missions*	*Support account*	*UNLB*
Military and police personnel	(600)	20 036	23 119	64	(5 103)	5 339	(3 620)	–	(2 630)	5 753	–	(48)	(3 000)	–	23 658	62 968	–	–
Civilian personnel	(246)	1 905	6 181	–	–	(324)	(451)	–	–	(725)	(3 400)	775	2 551	–	3 938	10 204	4 203	304
Operational requirements	846	(21 941)	(29 300)	(64)	5 103	(5 015)	4 071	0	2 630	(5 028)	3 400	(727)	449	0	(27 596)	(73 172)	(4 203)	(304)
Civilian electoral observers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Consultants	136	971	1 149	–	–	383	–	3	41	635	30	213	463	–	5 393	9 417	(1 608)	121
Official travel	118	2 462	1 149	–	2 385	1 953	375	–	88	274	241	875	47	(60)	1 197	11 104	(452)	(5)
Facilities and infrastructure	126	(39 152)	(16 139)	(8 069)	16 226	(9 693)	2 559	(838)	(591)	5 187	1 552	(887)	11 989	(199)	(4 027)	(41 956)	(564)	(253)
Ground transportation	–	(6 956)	(3 045)	(695)	2 989	597	(214)	–	(654)	(281)	312	(395)	(4 559)	–	(7 893)	(20 794)	–	(56)
Air transportation	(227)	3 184	(33 325)	(56)	(18 056)	(4 930)	–	10	2 984	(11 471)	–	(992)	(23 274)	(41)	11 042	(75 152)	–	–
Naval transportation	–	3 140	4 520	25	2 281	477	142	25	(553)	1 211	–	(144)	5 620	–	180	16 924	–	–
Communications	(321)	(3 197)	(132)	(574)	610	(4 714)	14	(12)	(2 906)	931	(478)	(58)	(587)	416	(12 011)	(23 019)	(96)	(104)
Information technology	149	4 811	10 528	797	9 770	3 087	100	190	4 302	(1 151)	160	110	1 562	(136)	3 772	38 051	347	(2)
Medical	–	(4 027)	(633)	–	1 109	129	133	14	–	(30)	(26)	(144)	(351)	(16)	(8 511)	(12 353)	9	–
Special equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other supplies services and equipment	865	16 823	6 628	8 508	(12 211)	7 696	962	608	(81)	(333)	1 609	695	9 539	36	(16 738)	24 606	(1 839)	(5)
Quick-impact projects	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total between groups	**846**	**21 941**	**29 300**	**64**	**5 103**	**5 339**	**4 071**	**–**	**2 630**	**5 753**	**3 400**	**775**	**3 000**	**–**	**27 596**	**114 325**[a]	**4 203**	**304**
Total between groups and within operational requirements	**1 394**	**53 332**	**53 274**	**9 394**	**35 370**	**19 661**	**4 285**	**850**	**7 415**	**13 991**	**3 904**	**2 668**	**31 771**	**452**	**49 180**	**291 925**[a]	**4 559**	**425**

Source: Financial statements of peacekeeping operations.

[a] Including the support account and UNLB.

Annex IV

Summary of reports at peacekeeping missions on cases of fraud and presumptive fraud for the period from 1 July 2015 to 30 June 2016

Mission	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
MINUSMA	Salary fraud	440	The irregularity was detected before the collection of money.	An engineering assistant in Gao signed two monthly attendance records in Umoja on behalf of another staff member who was not in Gao and had not worked at MINUSMA as an individual contractor. The engineering assistant asked the other staff member to collect two months' salary at the Finance Section.
MINUSMA	Entitlement fraud	3 996	The United Nations Volunteer left Mali and resigned from MINUSMA on 20 August 2015, before the investigation was finalized. The report was shared with United Nations Volunteers headquarters in Bonn for appropriate action. No feedback has been received from the Bonn headquarters to date. The Special Investigation Unit made the following recommendations: (a) issue a standard operating procedure clearly stating the procedures to be followed for minimum operating residential security standards claims; and (b) have field security coordination officers create a database to monitor the issuance of minimum operating residential security standards certificates and prevent duplicate reimbursement for the same expenses. The Finance Section relies on the certifications provided by the Security Section and checks that all documents are attached and properly certified before payment is made.	A United Nations Volunteer in the Child Protection Unit convinced the Deputy Chief Security Adviser that his accommodations qualified for reimbursement and also wrote a memorandum to explain away discrepancies with the minimum operating residential security standards certificate issued for his former house. The Deputy Chief Security Adviser then instructed the field security coordination officer to issue a minimum operating residential security standards certificate. The officer also signed receipts presented by the United Nations Volunteer without verifying whether payments had previously been made for work done on the same accommodations. The Finance Section honoured signed documents presented by the United Nations Volunteer for reimbursement for security services on the strength of the Deputy Chief Adviser's countersignature of the United Nations Volunteer's memorandum.

Mission	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
MINUSMA	Theft of United Nations inventory/ assets	Unknown	The three individuals were held in police custody, appeared in court and were released to the Mission in May 2016. There are indications that this theft was only the "tip of the iceberg". For that reason, the Special Investigation Unit has indicated its intention to conduct an additional investigation, into the possible involvement of other United Nations personnel. It was recommended that the Engineering Section create a real inventory of stock and that there be better controls/monitoring of individual contractors in order to prevent future theft. Further measures for implementation will be proposed after the completion of the additional investigation.	The Commissioner of Police in Gao informed the Mission that he had arrested an individual contractor who had 35 air conditioning units and accessories in his possession. The individual contractor identified two persons as accomplices. The individual contractor was also identified in connection with a previous theft of air conditioning units and soldering rods. The individual contractor admitted to having participated in the sale of the stolen items (10 air conditioning units and 10 cartons of soldering rods). The investigation conducted indicated that there had been no real inventory and that the stock had been poorly managed by the Engineering Section. As a result, it was impossible to determine which supplies had been held by the individual contractor. Moreover, the individual contractors had been assigned too many responsibilities and their movements had not been monitored by the supervisor.
MINUSTAH	Waste of United Nations resources	339 530.45	Under investigation	Two international consultants were reportedly hired at an expense of $339,530 for relatively low-level technical functions that could have been performed by staff at less expense to the Organization.
MINUSTAH	Fraudulent medical claims	42 658	Under investigation	Staff members reportedly submitted fraudulent medical insurance claims and continued to do so.
MINUSTAH	Insurance fraud	2 329.79	Under investigation	A staff member reportedly submitted fraudulent medical insurance claims.
MINUSTAH	Insurance fraud	42 658	Under investigation	Staff members reportedly submitted fraudulent medical insurance claims and continued to do so.
MONUSCO	Theft of United Nations inventory/ assets	7 600	Investigation report	A staff member forged United Nations purchase orders for stationery supplies for personal gain.
MONUSCO	Theft of United Nations inventory/ assets	4 000 000	Pending assessment	A report alleges that a board of inquiry convened to investigate possible fraudulent invoices did not submit its findings to Headquarters because it implicated a number of senior managers.
MONUSCO	Forgery	Undetermined or not applicable	Under investigation	A staff member reportedly forged the signature of another staff member.
MONUSCO	Forgery and theft	No loss	Investigation report	A staff member forged United Nations purchase orders and used them to obtain car batteries and tyres valued at $55,846.

Mission	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
Regional Service Centre in Entebbe	Bribery	1 050	The staff member has been placed on administrative leave without pay, and the case has been referred to the Department of Field Support for appropriate action. Staff members of the Regional Service Centre in Entebbe have been reminded of their accountability for conduct and discipline through both a town hall meeting and a broadcast.	A staff member at the Regional Service Centre in Entebbe allegedly solicited a bribe from another staff member for the processing of an F10 claim, and received funds to facilitate/accelerate the processing of payments for international individual contractors. The funds were not those of the Organization.
UNAMID	Forgery	37 075	The case has been referred to the Department of Field Support and investigated by the UNAMID Special Investigation Unit.	A staff member reportedly cashed 9 cheques totalling $37,075 using fake authorization letters and absconded with the money. The Special Investigation Unit investigation found that the fraud had been made possible by the Mission's failure to follow the established field finance procedures. Attempts to contact the staff member were not successful.
UNFICYP	Forgery and fuel fraud	58 764	The case has been referred to the Department of Field Support. Action by the Department of Field Support is pending.	A staff member reportedly forged the signature of another staff member on vouchers for jet fuel that was unaccounted for.
UNIFIL	Forgery	Undetermined or not applicable	National information officer investigation.	A military contingent member reportedly attempted to use an expired airport pass that had been manually altered to appear that it was still valid.
UNIFIL	Diversion of assets	Undetermined or not applicable	Pending assessment	United Nations rations intended for peacekeepers were reportedly being sold in local supermarkets.
UNIFIL	Bribery	Undetermined or not applicable	The case has been referred to the Department of Field Support and investigated by the UNTSO and UNFIL special investigation units.	A staff member reportedly sought payment in exchange for employment.
UNISFA	Diversion of funds	No loss	Closure report	Payment of $14,000 from a petty cash account was authorized for the purpose of settling a compensation agreement between a military contingent commander and members of the local community. The troop-contributing country reimbursed the amount to the mission, and therefore no loss was incurred by the Organization.
UNLB	Entitlement fraud	Undetermined or not applicable	The case has been referred to the Department of Field Support	A staff member reportedly received a reassignment grant and other relocation benefits without having relocated.

Mission	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
UNMIK	Expenses and conflict of interest	No loss	Closure report	A staff member reportedly attempted to arrange payment for a property rented by the Mission to be paid to the property owner's legal representative, who was a friend of the staff member, raising the possibility of a conflict of interest, instead of paying into the account of the property owner. The investigation found no indication that either party had attempted to obtain an undue financial benefit.
UNMISS	Forgery	No loss	Investigation report	A United Nations Volunteer altered a university certificate and a confirmation-of-employment letter.
UNMISS	Insurance fraud	350	Investigation report	A staff member submitted a false medical insurance claim and received undue payment.
UNMISS	Insurance fraud	No loss	Investigation report	A staff member submitted a false medical insurance claim. The claim was not paid.
UNMISS	Insurance fraud	No loss	Investigation report	A staff member submitted a false medical insurance claim. The claim was not paid.
UNMISS	Insurance fraud	5 590	Investigation report	A staff member submitted a false medical insurance claim and received undue payment.
UNMISS	Insurance fraud	No loss	Investigation report	A staff member submitted a false medical insurance claim. The claim was not paid.
UNMISS	Insurance fraud	688	Investigation report	A staff member submitted a false medical insurance claim and received undue payment.
Total		**4 542 729.24**		**Estimated amount involved as at 25 November 2016**

Chapter III
Certification of the financial statements

Letter dated 30 September 2016 from the Assistant Secretary-General, Controller addressed to the Chair of the Board of Auditors

The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2015 to 30 June 2016 have been prepared in accordance with financial rule 106.1 of the Financial Regulations and Rules of the United Nations.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements, for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to V, are correct in all material respects.

(*Signed*) Bettina Tucci Bartsiotas
Assistant Secretary-General, Controller

Chapter IV

Financial report on the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016

A. Introduction

1. The Secretary-General has the honour to submit this financial report on the operations of the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016. The year 2015/16 marked two important milestones. The accounts of the Headquarters were successfully migrated to the new enterprise resource planning system, Umoja. For the first time in the history of peacekeeping operations, all peacekeeping activities were accounted for by a single system that served as the central administrative solution, allowing for more efficient and transparent management of the Organization's resources and more reliable financial recordkeeping. Another achievement was the implementation of the business planning and consolidation solution for the preparation of financial statements. The financial data in Umoja are seamlessly transferred to and consolidated in the business planning and consolidation solution, ensuring more accurate and transparent financial reporting in a strong control environment. The Secretary-General is committed to further enriching the Umoja system and the business planning and consolidation solution in the coming years.

B. Assessed contributions

2. Total assessed contributions decreased by 2.6 per cent ($221.5 million), from $8,503.6 million in the prior year to $8,282.1 million. The net decrease is mainly explained by (a) the downsizing of MONUSCO (a decrease of $109.5 million), UNMIL (a decrease of $98.9 million), UNOCI (a decrease of $109.4 million) and MINUSTAH (a decrease of $139.9 million) and (b) the expansion of MINUSMA (an increase of $122.9 million) and MINUSCA (an increase of $166.1 million).

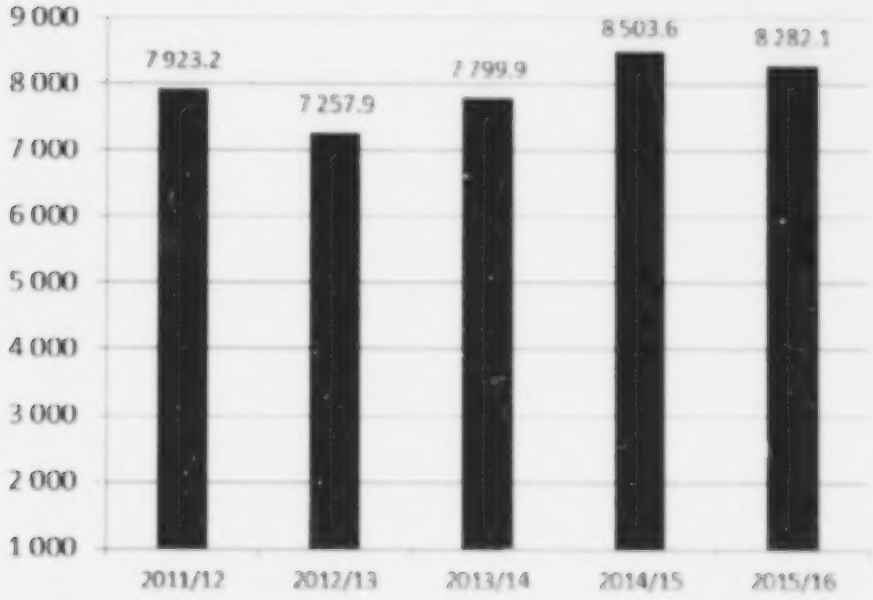
Table IV.1
Assessments
(Millions of United States dollars)

	2014/15	*2015/16*	*Percentage increase (decrease)*
UNFICYP	36.1	31.0	(14.1)
UNDOF	69.1	54.3	(21.4)
UNIFIL	549.3	531.4	(3.3)
MINURSO	58.1	53.7	(7.6)
UNMIK	46.3	42.0	(9.3)
MONUSCO	1 506.1	1 396.6	(7.3)
UNMIL	460.6	361.7	(21.5)
UNOCI	532.1	422.7	(20.6)

	2014/15	2015/16	Percentage increase (decrease)
MINUSTAH	539.1	399.2	(26.0)
UNAMID	1 153.6	1 156.7	0.3
UNSOS	528.2	538.9	2.0
UNISFA	343.8	281.5	(18.1)
UNMISS	1 097.3	1 139.5	3.8
MINUSMA	895.6	1 018.5	13.7
MINUSCA	688.3	854.4	24.1
Total	**8 503.6**	**8 282.1**	**(2.6)**

3. Figure IV.I illustrates the trend in the assessments for peacekeeping operations for fiscal 2015/16 and the four preceding periods.

Figure IV.I
Assessed contributions
(Millions of United States dollars)



C. Voluntary contributions

4. Receipt of voluntary contributions doubled in the current period. The significant increase was led by UNSOS (increase of $158.6 million) and MINUSCA (increase of $48.9 million).

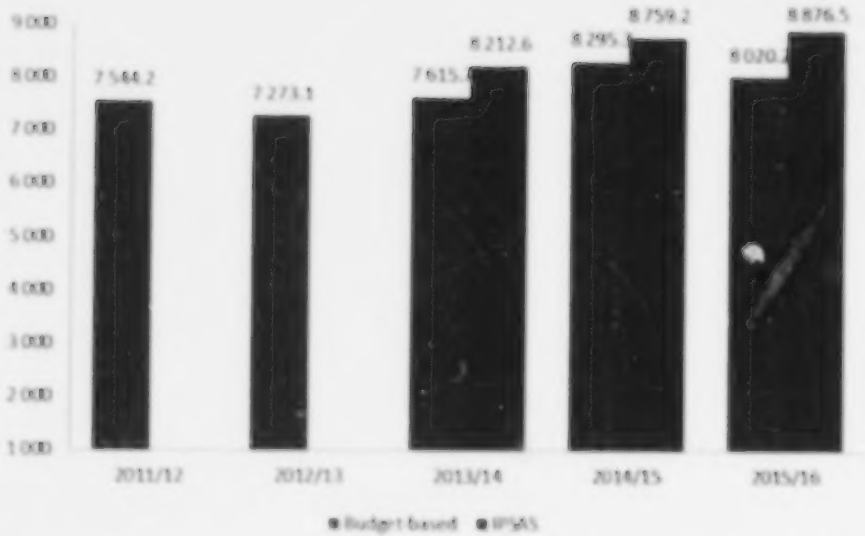
Table IV.2
Voluntary contributions
(Millions of United States dollars)

	2014/15	2015/16	Percentage increase/(decrease)
Monetary	26.5	24.1	(9.1)
Goods and rights-to-use			
Facilities	145.5	340.4	134.0
Landing rights	17.2	23.6	37.8
Others	6.2	4.3	(32.3)
Total	**195.4**	**392.4**	**100.8**

D. Expenses

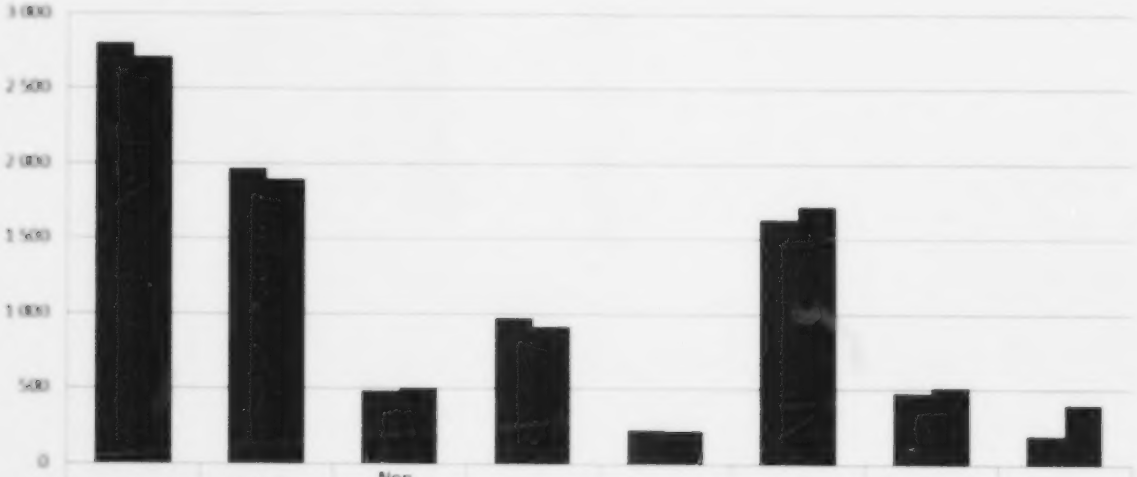
5. Total expenses for the current year were $8,876.2 million, which was 1.3 per cent higher than in 2014/15. The budget-based expenditures for 2015/16 were $8,020.2 million, which represented a 3.3 per cent decrease, in line with a comparable decrease in assessments. The slight increase in expenses was due to the doubled voluntary contributions in kind, for which revenue and expenses of equal amount are recognized, while they do not constitute a budgetary expenditure. Figure IV.II illustrates the trend in expenses of peacekeeping operations for fiscal 2015/16 and the four preceding periods.

Figure IV.II
Trend of expenses
(Millions of United States dollars)

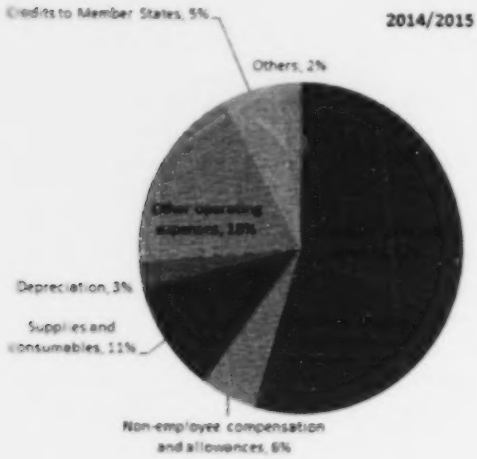


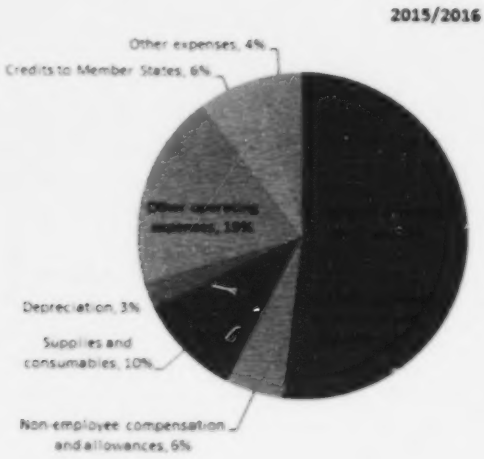
6. Figure IV.III presents the breakdown of expenses by nature for 2015/16, compared with the previous financial year. Contingent contracted services accounted for 31 per cent of total expenses in 2015/16 (32 per cent in 2014/15); followed by employee salaries, allowances and benefits at 21 per cent (22 per cent in 2014/15) and other operating expense at 19 per cent (18 per cent in 2014/15).

Figure IV.III
Expenses by nature
(Millions of United States dollars)



	Contingent contracted services	Employee salaries, allowances and benefits	Non-employee compensation and allowances	Supplies and consumables	Depreciation	Other operating expenses	Credits to Member States	Other expenses
2014/15	2 805	1 967	483	972	227	1 632	477	197
2015/16	2 712	1 893	499	917	224	1 721	514	397





E. Status of assessed contributions receivable

7. Assessed contributions receivable pertaining to active peacekeeping missions increased by 10.5 per cent, from $1,123.6 million at the end of prior year to $1,241.8 million at the end of the current year. The increase in unpaid assessed contributions was mostly attributable to MINUSMA (an increase of $85.6 million), UNIFIL (an increase of $69.9 million) and MINUSTAH (an increase of $66.4 million). For those missions, full appropriations were approved and assessments issued in the second half of 2015/16, resulting in less time for payment and increases in unpaid balances.

8. The decrease in assessed contributions receivable, net of allowance for doubtful accounts, pertaining to closed missions was due to the return of cash balances and additional recognition of allowances in UNSMIS and UNMIT. Table IV.3 provides the status of unpaid assessments and figure IV.IV the trend of assessed contributions receivable.

Table IV.3

Assess contributions receivable, net of allowance for doubtful accounts

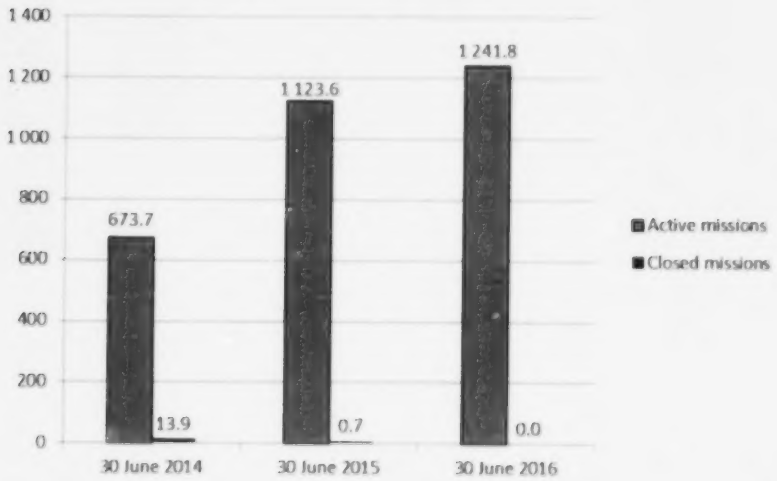
(Millions of United States dollars)

	30 June 2015	*30 June 2016*	*Percentage increase (decrease)*
Active missions	1 123.6	1 241.8	10.5
Closed missions	0.7	0.0	(100.0)
Total	**1 124.3**	**1 241.8**	**(10.4)**

Figure IV.IV

Trend of assessed contributions receivable, net of allowance for doubtful accounts

(Millions of United States dollars)



F. Liquidity

9. Table IV.4 summarizes ratios of cash assets to liabilities at 30 June 2016 for active peacekeeping missions as a measure of liquidity and provides a comparison with 30 June 2015. With the increase in unpaid assessed contributions in 2015/16 as discussed in paragraph 7 above, the overall ratio declined from 0.72 to 0.64. The chronic cash-strapped status of MINURSO and UNMIK persisted and the two missions had to borrow from closed missions during the year. The loan payable balance at 30 June 2016 stood at $13.5 million for MINURSO and $26.5 million for UNMIK.

Table IV.4
Ratio of cash assets to liabilities as at 30 June 2016: active missions
(Millions of United States dollars)

	Cash assets[a]	*Liabilities*[b]	*Ratio of cash assets to liabilities*	
			30 June 2016	*30 June 2015*
UNFICYP	16.6	16.5	1.01	0.79
UNDOF	13.1	8.8	1.49	1.29
UNIFIL	125.6	151.9	0.83	1.20
MINURSO	7.2	24.0	0.30	0.16
UNMIK	8.5	36.8	0.23	0.03
MONUSCO	265.5	434.9	0.61	0.52
UNMIL	57.7	118.2	0.49	0.45
UNOCI	78.8	148.5	0.53	0.55
MINUSTAH	45.5	132.5	0.34	0.95
UNAMID	280.9	353.8	0.79	0.49
UNSOS	55.9	149.2	0.37	1.08
UNISFA	50.6	66.3	0.76	1.15
UNMISS	152.0	315.0	0.48	0.48
MINUSMA	279.9	341.4	0.82	1.13
MINUSCA	230.6	291.9	0.79	0.59
Total	**1 668.4**	**2 589.7**	**0.64**	**0.72**

[a] Sum of cash and term deposits and cash pool.
[b] Represents total liabilities.

10. Table IV.5 summarizes the ratio of cash assets to liabilities for support activities. The Peacekeeping Reserve Fund is not included in the table since it is a cash flow mechanism for start-up or expansion of peacekeeping operations and has no liabilities. Also excluded from the table are employee benefits funds for after-service health insurance, annual leave and repatriation grants, which are not funded and, hence, have no cash assets. The overall liquidity ratio of support activities included in table IV.5, which was healthy at 1.90 in the prior year, improved to 2.33.

Table IV.5
Ratio of cash assets to liabilities as at 30 June 2016: support activities
(Millions of United States dollars)

			Ratio of cash assets to liabilities	
	Cash assets[a]	*Liabilities*[b]	*30 June 2016*	*30 June 2015*
Support account	15.0	17.2	0.87	1.09
UNLB — other activities	13.4	4.2	3.19	2.19
UNLB — strategic deployment stocks	96.4	4.6	20.96	31.06
Reserve for workers' compensation	23.1	37.6	0.61	0.48
Cost recovery fund	3.8	1.4	2.71	Not applicable
Total	**151.7**	**65.0**	**2.33**	**1.90**

[a] Sum of cash and term deposits and cash pool.
[b] Represents total liabilities.

11. Table IV.6 summarizes the ratio of cash assets to liabilities for closed missions with cash surpluses (ratio greater than 1.00) and closed missions with cash deficits (ratio below 1.00). The only noticeable changes were an improvement in ONUMOZ, owing to the settlement of some outstanding assessed contributions receivable, and a reduction in UNMIT, owing to the return of cash balances to Member States.

Table IV.6
Ratio of cash assets to liabilities as at 30 June 2016: closed missions
(Millions of United States dollars)

			Ratio of cash assets to liabilities	
	Cash assets[a]	*Liabilities*[b]	*30 June 2016*	*30 June 2015*
Closed missions with cash surpluses				
UNSMIS	2.3	2.2	1.05	3.80
UNMIT	9.4	8.8	1.07	27.00
UNMIS	21.1	16.8	1.26	1.04
MINURCAT	41.7	40.1	1.04	3.02
UNOMIG	1.1	0.6	1.83	1.40
UNMEE	2.3	0.3	7.67	2.90
ONUB	2.4	1.0	2.40	2.30
UNAMSIL/UNOMSIL	1.6	0.1	16.00	1.22
UNMISET/UNTAET	4.3	1.9	2.26	2.05
UNIKOM	1.1	1.0	1.10	1.10
UNMOT	0.1	—	N/M	N/M
UNMIBH	5.2	4.4	1.18	1.16
MONUA/UNAVEM	15.5	5.2	2.98	2.91

	Cash assets[a]	*Liabilities*[b]	*Ratio of cash assets to liabilities*	
			30 June 2016	*30 June 2015*
UNPREDEP	6.6	6.1	1.08	1.08
UNTAES	5.3	4.7	1.13	1.13
UNOMIL	0.2	–	N/M	N/M
UNPF	40.9	23.5	1.74	1.77
UNMIH	17.3	12.7	1.36	1.12
UNAMIR/UNOMIR	16.3	5.7	2.86	2.84
ONUSAL	0.4	–	N/M	N/M
ONUMOZ	7.6	0.3	25.33	1.33
UNMLT	–	–	N/M	N/M
UNTAG	0.5	0.1	5.00	2.50
UNIIMOG	0.2	0.1	2.00	3.00
Subtotal	**203.4**	**135.6**	**1.50**	**1.73**
Closed missions with cash deficits				
UNSMIH/UNTMIH/MIPONUH	0.2	7.5	0.03	0.03
MINURCA	–	23.8	0.00	0.01
MINUGUA	–	0.1	0.00	0.00
UNOSOM	0.4	15.6	0.03	0.01
UNTAC	0.3	40.0	0.01	0.00
UNEF (1956)	0.1	39.8	0.00	0.00
ONUC	0.9	46.5	0.02	0.00
Subtotal	**1.9**	**173.3**	**0.01**	**0.00**
Total	**205.3**	**308.9**	**0.66**	**0.81**

Abbreviation: N/M, not meaningful.

[a] Sum of cash and term deposits and the cash pool.

G. Property, plant and equipment

12. Table IV.7 presents the ratios of depreciation expense and acquisition of new assets to asset costs. The acquisition of new assets ratio (10.2 per cent) was higher than the depreciation expense ratio (7.0 per cent). Compared with the prior year, the cost of new assets acquired rose very slightly by 0.7 per cent from $321.2 million to $323.4 million, while the depreciation expense fell slightly by 1.2 per cent from $226.7 million to $223.9 million.

Table IV.7
Property, plant and equipment ratios
(Millions of United States dollars)

	Cost of assets	*Depreciation expense*	*Acquisition expense*	*Ratio of depreciation expense to cost (per cent)*	*Ratio of acquisition expense to cost (per cent)*
Buildings	899.8	58.6	59.6	6.5	6.6
Assets under construction	49.1	–	102.3	–	208.4
Infrastructure	502.6	28.0	–	5.6	–
Leasehold improvements	0.4	0.1	–	25.0	–
Furniture and fixtures	4.7	0.4	0.1	8.5	2.1
Communications and information technology equipment	396.7	40.4	51.6	10.2	13.0
Vehicles	899.2	60.6	75.5	6.7	8.4
Machinery and equipment	431.4	35.8	34.3	8.3	8.0
Total assets, 2015/16	**3 183.9**	**223.9**	**323.4**	**7.0**	**10.2**
Total assets, 2014/15	**2 992.0**	**226.7**	**321.2**	**7.6**	**10.7**

13. While the trend of acquisition expense exceeding depreciation expense continued, the fully depreciated assets also increased by 22.6 per cent, as shown in table IV.8. The portion of fully depreciated assets among the total assets (not shown) increased too, from 20.1 per cent in 2014/15 to 23.1 per cent in 2015/16. On aggregate, the recent years' pattern of increases in both acquisition expense and fully depreciated assets continued, which may indicate that missions are not able to replace old equipment at a proper rate.

Table IV.8
Cost of fully depreciated assets
(Millions of United States dollars)

	2014/15	*2015/16*	*Percentage increase (decrease)*
Buildings	183.1	232.9	27.2
Furniture and fixtures	2.4	2.2	(8.3)
Communications and information technology equipment	139.8	161.4	15.5
Vehicles	189.9	241.8	27.3
Machinery and equipment	84.3	96.8	14.8
Total	**599.5**	**735.1**	**22.6**

H. Inventory

14. Owing to the nature of peacekeeping operations, which are undertaken in remote and hazardous areas, a slow rate of inventory turnover is inevitable. A favourable, although not significant, improvement in inventory turnover was again registered in 2015/16. The inventory turnover ratio (average inventory balance divided by consumption) continued to rise from 0.52 in the prior year to 0.55. Consequently, the number of days that inventory was held before use (days inventory outstanding) decreased from 706 to 669.

Table IV.9
Inventory turnover ratio
(Millions of United States dollars)

	Average inventory balance	*Consumption*	*Inventory turnover ratio*	*Days inventory outstanding*
Strategic reserves	90.7	28.5	0.31	1 161
Non-financial inventories	270.8	168.7	0.62	586
Total, 2015/16	**361.4**	**197.2**	**0.55**	**669**
Total, 2014/15	**375.7**	**194.1**	**0.52**	**706**

I. Looking forward to 2016/17

15. The Secretary-General is keenly aware of the importance of full and fair presentation of the financial position and operational results of the United Nations peacekeeping operations and will continue to review the Organization's compliance with accounting and disclosure requirements. He welcomes the strong oversight of the Organization's financial reporting activities by the Board of Auditors.

Chapter V

Financial statements for the year ended 30 June 2016

I. Statement of financial position as at 30 June 2016

(Thousands of United States dollars)

	Note	30 June 2016	30 June 2015*
Assets			
Current assets			
Cash and cash equivalents	7	184 536	576 391
Investments	23	1 546 697	1 054 722
Assessed contributions receivable	8	1 241 780	1 124 300
Voluntary contributions receivable	9	—	2 709
Other receivables	10	34 909	37 107
Inventories	11	360 137	362 611
Other assets	12	20 111	14 881
Total current assets		**3 388 170**	**3 172 721**
Non-current assets			
Investments	23	433 275	786 089
Property, plant and equipment	13	1 485 613	1 400 314
Intangible assets	14	566	—
Total non-current assets		**1 919 454**	**2 186 403**
Total assets		**5 307 624**	**5 359 124**
Liabilities			
Current liabilities			
Accounts payable — Member States	15	602 353	836 374
Accounts payable and accrued liabilities	15	1 474 139	1 354 389
Advance receipts	16	110 460	7 373
Employee benefits liabilities	17	84 598	95 829
Provisions	18	555 798	483 311
Other liabilities	19	61 379	138 213
Total current liabilities		**2 888 727**	**2 915 489**
Non-current liabilities			
Employee benefits liabilities	17	1 659 858	1 510 609
Total non-current liabilities		**1 659 858**	**1 510 609**
Total liabilities		**4 548 585**	**4 426 098**
Net of total assets and total liabilities		**759 039**	**933 026**
Net assets			
Accumulated surpluses — unrestricted	20	497 666	671 653
Accumulated surpluses — restricted	20	111 373	111 373
Reserves	21	150 000	150 000
Total net assets		**759 039**	**933 026**

* See note 4.

The notes found at the end of the present chapter are an integral part of these financial statements.

II. Statement of financial performance for the year ended 30 June 2016

(Thousands of United States dollars)

	Note	*For the year ended 30 June 2016*	*For the year ended 30 June 2015[a]*
Revenue			
Assessed contributions	22	8 282 141	8 503 612
Voluntary contributions	22	392 407	195 385
Investment revenue	23	23 298	23 934
Other revenue	22	28 510	47 916
Total revenue		**8 726 356**	**8 770 847**
Expenses			
Employee salaries, allowances and benefits	24	1 892 626	1 966 911
Contingent contracted services	24	2 711 775	2 804 697
Non-employee compensation and allowances	24	499 412	482 505
Grants and other transfers	24	23 140	24 277
Supplies and consumables	24	916 934	971 523
Depreciation	13	223 882	226 677
Amortization	14	10	
Impairment	13	6 960	6 863
Travel	24	54 693	63 607
Self-insurance claims and expenses	24	2 279	2 217
Other operating expenses	24	1 663 838	1 566 365
Other expenses	24	366 888	166 107
Credits to Member States	25	513 739	477 410
Total expenses		**8 876 176**	**8 759 159**
Surplus/(deficit) for the year		**(149 820)**	**11 688**

[a] See note 4.

The notes found at the end of the present chapter are an integral part of these financial statements.

III. Statement of changes in net assets for the year ended 30 June 2016

(Thousands of United States dollars)

	Accumulated surpluses/ (deficits) — unrestricted	*Accumulated surpluses — restricted*	*Reserves*	*Total*
Net assets as at 1 July 2014	**693 134**	**111 373**	**150 000**	**954 507**
Changes in net assets				
Other adjustments to net assets	3 826	–	–	3 826
Actuarial losses on employee benefits liabilities	(36 995)	–	–	(36 995)
Surplus for the year ended 30 June 2015	11 688	–	–	11 688
Net assets as at 30 June 2015	**671 653**	**111 373**	**150 000**	**933 026**
Changes in net assets				
Actuarial losses on employee benefits liabilities	(24 167)	–	–	(24 167)
Surplus/(deficit) for the year ended 30 June 2016	(149 820)	–	–	(149 820)
Net assets as at 30 June 2016	**497 666**	**111 373**	**150 000**	**759 039**

The notes found at the end of the present chapter are an integral part of these financial statements.

IV. Statement of cash flows for the year ended 30 June 2016

(Thousands of United States dollars)

	Note	For the year ended 30 June 2016	For the year ended 30 June 2015
Cash flows from operating activities			
Surplus/(deficit) for the year		**(149 820)**	**11 688**
Non-cash movements			
Depreciation and amortization	13, 14	223 892	226 677
Impairment of property, plant and equipment	13	6 960	6 863
Changes in assets			
(Increase)/decrease in assessed contributions receivable	8	(117 480)	(436 739)
(Increase)/decrease in voluntary contributions receivable	9	2 709	4 642
(Increase)/decrease in other receivables	10	2 198	5 934
(Increase)/decrease in inventories	11	2 474	26 097
(Increase)/decrease in other assets	12	(5 230)	22 622
Changes in liabilities			
Increase/(decrease) in accounts payable — Member States	15	(234 021)	72 181
Increase/(decrease) in accounts payable — other	15	119 750	232 338
Increase/(decrease) in advance receipts	16	103 087	(9 800)
Increase/(decrease) in employee benefits liabilities	17	113 851	129 828
Increase/(decrease) in provisions	18	72 487	15 020
Increase/(decrease) in other liabilities	19	(76 834)	58 343
Investment revenue presented as investing activities	23	(23 298)	(23 934)
Net cash flows from operating activities		**40 725**	**341 760**
Cash flows from investing activities			
Net contribution to cash pool investments		(139 161)	(6 997)
Investment revenue presented as investing activities	23	23 298	23 934
Net increase in property, plant and equipment	13	(316 141)	(278 129)
Investment in intangible assets	14	(576)	
Net cash flows used in investing activities		**(432 580)**	**(261 192)**
Cash flows from financing activities			
Adjustment to fund balances			3 826
Net cash flows from financing activities		-	**3 826**
Net increase in cash and cash equivalents		**(391 855)**	**84 394**
Cash and cash equivalents — beginning of year		576 391	491 997
Cash and cash equivalents — end of year	7	**184 536**	**576 391**

The notes found at the end of the present chapter are an integral part of these financial statements.

V. Statement of comparison of budget and actual amounts for the year ended 30 June 2016

(Thousands of United States dollars)

Appropriated activities	*Budget*		*Actual expenditure, budget basis*	*Difference*[a]
	Original	*Final*		*Percentage*
Active missions[b]				
UNFICYP	56 208	56 208	52 734	(6.18)
UNDOF	54 266	54 266	53 627	(1.18)
UNIFIL	531 413	531 413	506 478	(4.69)
MINURSO	55 721	55 721	54 816	(1.62)
UNMIK	42 013	42 013	41 287	(1.73)
MONUSCO	1 398 057	1 398 057	1 375 366	(1.62)
UNMIL	361 775	361 775	330 367	(8.68)
UNOCI	422 735	422 735	374 054	(11.52)
MINUSTAH	399 185	399 185	373 834	(6.35)
UNAMID	1 156 727	1 156 727	1 098 678	(5.32)
UNSOS	538 846	538 846	537 759	(0.20)
UNISFA	281 537	281 537	278 906	(0.93)
UNMISS	1 139 520	1 139 520	1 093 529	(4.04)
MINUSMA	969 014	969 014	968 902	(0.01)
MINUSCA	879 945	879 945	866 331	(1.55)
Total active missions	**9 286 962**	**9 286 962**	**8 806 659**	**(3.38)**
Less: prorated costs of support account	(324 165)	(324 165)	(324 165)	
Less: prorated costs of UNLB — other activities	(65 301)	(65 301)	(65 301)	
Total active missions, excluding prorated costs	**7 897 496**	**7 897 496**	**7 617 193**	**(3.55)**
Support activities				
Support Account	336 496	336 496	335 885	(0.18)
UNLB — other activities	67 157	67 157	67 099	(0.09)
Total support activities	**403 653**	**403 653**	**402 984**	**(0.17)**
Total, in accordance with 2015/16 budget-based active missions and support activities	**8 301 149**	**8 301 149**	**8 020 177**	**(3.38)**
Non-appropriated activities			*Funding*	*Expenses*
UNLB — strategic deployment stock activities[c]			100 028	36 652
Reserve fund for workers' compensation[d]			2 377	2 300
Peacekeeping Reserve Fund				
Peacekeeping cost recovery[e]			4 290	3 412
Total non-appropriated activities			**106 695**	**42 364**

(Footnotes on following page)

(Footnotes to V. Statement of comparison of budget and actual amounts for the year ended 30 June 2016)

[a] Actual expenditure (budget basis) less final budget. Differences greater than 5 per cent are considered in note 5.

[b] Budget and actual expenditure of active missions include prorated costs for the Support Account and UNLB other activities.

[c] Funding for strategic deployment stocks is based on current-period transfers to peacekeeping and political missions and other offices of $23.4 million and fund balances brought forward from the prior period of $76.6 million.

[d] Funding for workers' compensation is allocated from active missions.

[e] Expenses of cost recovery are met by the revenue of the cost recovery fund.

The notes found at the end of the present chapter are an integral part of these financial statements.

Notes to the 2015/16 financial statements

Note 1
Reporting entity

The United Nations and its activities

1. The United Nations is an international organization founded in 1945 after the Second World War. The Charter of the United Nations was signed on 26 June 1945 and became effective on 24 October 1945. The primary objectives of the United Nations are:

(a) The maintenance of international peace and security;

(b) The promotion of international economic and social progress and development programmes;

(c) The universal observance of human rights;

(d) The administration of international justice and law.

2. These objectives are implemented through the major organs of the United Nations, as follows:

(a) The General Assembly focuses on a wide range of political, economic and social issues, as well as the financial and administrative aspects of the Organization;

(b) The Security Council is responsible for various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs, and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(c) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(d) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(e) The Secretariat is organized along departmental lines, with each department or office having a distinct area of action and responsibility. Offices and departments coordinate with each other to ensure cohesion as they carry out the day-to-day work of the Organization in offices and duty stations around the world. At the head of the Secretariat is the Secretary-General.

3. The United Nations has its headquarters in New York and has major offices in Geneva, Vienna and Nairobi. It also has peacekeeping and political missions, economic commissions, tribunals, training institutes, information centres and other offices around the world.

The United Nations peacekeeping operations

4. These financial statements relate to the United Nations peacekeeping operations, a separate financial reporting entity of the United Nations for the purposes of IPSAS-compliant reporting.

5. United Nations peacekeeping, with a mandate to help countries affected by conflict to create conditions for lasting peace, began operations in 1948 with the creation of the first peacekeeping mission. Since then, 69 peacekeeping missions (2014/15: 69 missions) have been deployed by the United Nations, 56 of them since 1988.

6. United Nations peacekeeping operates under the direction of the Security Council; as deemed appropriate by vote of the Council, peacekeeping missions are established, extended, amended or ended. Under Article 25 of the Charter, all States Members of the United Nations agree to accept and carry out the decisions of the Security Council; while other organs make recommendations to Member States, the Council alone has the power to take decisions that Member States are obligated to follow. United Nations peacekeeping has unique strengths, including legitimacy, burden-sharing and an ability to deploy and sustain troops and police from around the world, integrating them with civilian peacekeepers to advance multidimensional mandates. As at 30 June 2016, there were 15 active United Nations peacekeeping missions (30 June 2015: 15 active missions) deployed across four continents.

7. The peacekeeping operations are regarded as an autonomous reporting entity, which, due to the uniqueness of the governance and budgetary process of each of the reporting entities of the United Nations, neither controls nor is controlled by any other United Nations financial reporting entity, and which has no interests in associates, joint ventures or joint arrangements. Therefore, consolidation is not deemed applicable to the reporting entity, and these financial statements include only the activities of the United Nations peacekeeping operations.

Note 2
Basis of preparation and authorization for issue

Basis of preparation

8. In accordance with the Financial Regulations and Rules of the United Nations, the financial statements are prepared on an accrual basis in accordance with IPSAS. The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently in the preparation and presentation of these financial statements. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of the United Nations peacekeeping operations, consist of the following:

(a) Statement I: statement of financial position;

(b) Statement II: statement of financial performance;

(c) Statement III: statement of changes in net assets;

(d) Statement IV: statement of cash flows (using the indirect method);

(e) Statement V: statement of comparison of budget and actual amounts;

(f) A summary of significant accounting policies and other explanatory notes.

Going concern

9. The going-concern assertion is based on the approval by the General Assembly of the budget appropriations for peacekeeping operations for the 2016/17 financial year, the positive historical trend of collection of assessed contributions over the past years and the fact that the Assembly and the Security Council have not made any decisions to cease the operations of peacekeeping missions as a whole.

Authorization for issue

10. These financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 30 June 2016 to the Board of Auditors by 30 September 2016. In accordance with financial regulation 7.12, the reports of the Board of Auditors are transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

Measurement basis

11. The financial statements are prepared using the historic cost convention except for financial assets, which are recorded at fair value through surplus or deficit.

Functional and presentation currency

12. The functional currency of the peacekeeping operations is the United States dollar; currencies other than the functional currency are considered foreign currencies for the purpose of financial accounting and reporting. The presentation currency of the peacekeeping operations is also the United States dollar; these financial statements are expressed in thousands of United States dollars unless otherwise stated.

13. Foreign currency transactions are translated into United States dollars at the United Nations operational rate of exchange at the date of the transaction. The operational rate of exchange approximates the spot rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the fiscal-year-end operational rate of exchange. Non-monetary foreign currency items measured at historical cost or fair value are translated at the operational rate of exchange prevailing at the date of the transaction or when the fair value was determined.

14. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at fiscal-year-end exchange rates are recognized in the statement of financial performance on a net basis.

Materiality and use of judgement and estimates

15. Materiality is central to the preparation and presentation of the financial statements of the peacekeeping operations and the materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

16. Preparing financial statements in accordance with IPSAS requires the use of estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

17. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include actuarial measurement of employee benefits; selection of useful lives and the depreciation and amortization methods for property, plant and equipment and intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions; and classification of contingent assets and liabilities.

Future accounting pronouncements

18. The progress of the following significant future accounting pronouncements by the IPSAS Board and their impact on the financial statements of the peacekeeping operations continue to be monitored:

(a) **Public sector specific financial instruments**. To develop this accounting guidance, the focus will be on issues related to public sector specific financial instruments that are outside the scope of those covered by IPSAS 28: Financial instruments: presentation; IPSAS 29: Financial instruments: recognition and measurement; and IPSAS 30: Financial instruments: disclosures;

(b) **Public sector combinations**. The accounting treatment for public sector combinations will be prescribed and a new standard will be developed setting out the classification and measurement of public sector combinations, that is, transactions or other events that bring two or more separate operations into a single public sector entity.

(c) **Heritage assets**. The objective is to develop accounting and reporting requirements for heritage assets;

(d) **Non-exchange expenses**. The aim is to develop a standard or standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits;

(e) **Revenue**. The scope is to develop new standard-level requirements and guidance on revenue to amend or supersede those currently located in IPSAS 9:

Revenue from exchange transactions; IPSAS 11: Construction contracts; and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers);

(f) **Employee benefits**. The objective is to issue a new IPSAS standard that will supersede IPSAS 25: Employee benefits. The new standard will converge with the underlying International Accounting Standard 19: Employee benefits;

(g) **Consequential amendments arising from chapters 1 to 4 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities**. The objective of this project is to make revisions to IPSAS that reflect concepts from these chapters, in particular the objectives of financial reporting and the qualitative characteristics and constraints of information.

Future requirements of IPSAS

19. On 30 January 2015, the IPSAS Board published six new standards: IPSAS 33: First-time adoption of accrual basis IPSAS; IPSAS 34: Separate financial statements; IPSAS 35: Consolidated financial statements; IPSAS 36: Investments in associates and joint ventures; IPSAS 37: Joint arrangements; and IPSAS 38: Disclosure of interests in other entities. These standards become effective on 1 January 2017. IPSAS 33 has no impact on the United Nations, which adopted IPSAS with effect from 1 July 2013. The peacekeeping operations have no activities that fall under the scope of IPSAS 34 to 38, therefore their effect is not expected to be material.

Note 3
Significant accounting policies

Financial assets: classification

20. Classification of financial assets primarily depends on the purpose for which the financial assets are acquired. The peacekeeping operations classify financial assets in one of the categories shown below at initial recognition and re-evaluate the classification at each reporting date.

Classification	*Financial assets*
Fair value through surplus or deficit	Investments in cash pools
Loans and receivables	Cash and cash equivalents and receivables

21. All financial assets are initially measured at fair value. The peacekeeping operations initially recognize financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognized initially on the trade date, which is the date on which the peacekeeping operation becomes party to the contractual provisions of the instrument.

22. Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at the United Nations operational rate of exchange prevailing at the reporting date, with

net gains or losses recognized in the surplus or deficit in the statement of financial performance.

23. Financial assets at fair value through surplus or deficit are those that have either been designated in this category at initial recognition, or are held for trading or are acquired principally for the purpose of sale in the short term. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are recognized in the statement of financial performance in the period in which they arise.

24. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value, plus transaction costs and are subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

25. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in the statement of financial performance in the year in which they arise.

26. Financial assets are de-recognized when the rights to receive cash flows have expired or have been transferred and the peacekeeping operations have transferred substantially all risks and rewards of the financial asset. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets: investment in cash pools

27. The United Nations Treasury invests funds pooled from Secretariat entities and other participating entities. These pooled funds are combined in two internally managed cash pools. Participation in a cash pool implies sharing the risk and returns on investments among all pool participants. Since the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investments portfolio to the extent of the amount of cash invested.

28. The investments of the peacekeeping operations in the main pool are included as part of cash and cash equivalents, short-term investments and long-term investments in the statement of financial position, depending on the maturity period of the investment.

Financial assets: cash and cash equivalents

29. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Financial assets: receivables from non-exchange transactions — contributions receivable

30. Contributions receivable represent uncollected revenue from assessed and voluntary contributions committed to the peacekeeping operations by Member States, non-Member States and other donors based on enforceable agreements. These non-exchange receivables are stated at nominal value, less allowance for doubtful receivables reflecting impairment for estimated irrecoverable amounts. Voluntary contributions receivable are subject to an allowance for doubtful receivables on the same basis as other receivables. For assessed contributions receivable, the allowance for doubtful receivables is calculated as follows:

(a) Receivables from Member States that are subject to Article 19 of the Charter on voting right restrictions in the General Assembly owing to arrears equalling or exceeding the amount of the contributions due for the preceding two full years and that are past due in excess of two years: 100 per cent allowance;

(b) Receivables that are past due in excess of two years for which the General Assembly has granted special treatment as regards payment: UNEF, ONUC, unpaid assessed contributions which were transferred to a special account pursuant to General Assembly resolution 36/116 A, and unpaid assessed contributions of the former Yugoslavia: 100 per cent allowance;

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance. Any contested amount outstanding for less than two years will be disclosed in the notes to the financial statements;

(d) Assessed contributions receivable that are past due in excess of two years related to missions that have been closed for over two years: 100 per cent allowance;

(e) For receivables with approved payment plans, no allowance for doubtful debt will be established; however, disclosures will be made in the notes to the financial statements.

Financial assets: receivables from exchange transactions — other receivables

31. Other receivables include primarily amounts receivable for goods or services provided to other entities and amounts receivable for operating lease arrangements. Receivables from other United Nations reporting entities are also included in this category. Material balances of other receivables and voluntary contributions receivable are subject to specific review and an allowance for doubtful receivables is assessed on the basis of recoverability and ageing accordingly.

Other assets

32. Other assets include prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Inventories

33. Inventory balances are recognized as current assets and include the categories set out below.

Categories	*Subcategories*
Held for sale or external distribution	Books and publications, stamps
Raw materials and work in progress associated with items held for sale or external distribution	Construction materials and supplies, work in progress
Strategic reserves	Fuel reserves, bottled water and rations reserves, strategic deployment stocks, United Nations reserves
Consumables and supplies	Material holdings of consumables and supplies, spare parts, medicine

34. The cost of inventory in stock is determined using the average price cost basis. The cost of inventories includes the cost of purchase plus other costs incurred in bringing the items to the destination and condition for use. Inventory acquired through non-exchange transactions, i.e., donated goods, are measured at fair value at the date of acquisition. Inventories held for sale are valued at the lower of cost and net realizable value. Inventories held for distribution at no or nominal charge or for consumption in the production of goods or services are valued at the lower of cost and current replacement cost.

35. The carrying amount of inventories is expensed when inventories are sold, exchanged, distributed externally or consumed by the United Nations peacekeeping operations. Net realizable value is the net amount that is expected to be realized from the sale of inventories in the ordinary course of operations. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

36. Holdings of consumables and supplies for internal consumption are capitalized in the statement of financial position when material. Such inventories are valued using a methodology based on records available in the inventory management system, such as the Galileo system, which are validated through the use of thresholds, cycle counts and enhanced internal controls. Valuations are subject to impairment review, which takes into consideration the variances between moving average price valuation and current replacement cost, as well as slow-moving and obsolete items.

37. Inventories are subject to physical verification based on value and risk as assessed by management. Valuations are net of write-downs from cost to current replacement cost or net realizable value, which are recognized in the statement of financial performance.

Heritage assets

38. Heritage assets are not recognized in the financial statements but transactions related to significant heritage assets are disclosed in the notes to the financial statements.

Property, plant and equipment

39. Property, plant and equipment are classified into different groups of items of a similar nature and with similar functions, useful lives and valuation methodologies, such as vehicles; communications and information technology equipment; machinery and equipment; furniture and fixtures; and real estate assets (land, buildings, infrastructure and assets under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant and equipment are capitalized when their cost per unit is greater than or equal to the threshold of $20,000 or $100,000 for leasehold improvements and self-constructed assets. A lower threshold of $5,000 applies to five commodity groups: vehicles; prefabricated buildings; satellite communication systems; generators; and network equipment;

(b) All property, plant and equipment other than real estate assets are stated at historical cost, less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition, and the initial estimate of dismantling and site restoration costs;

(c) Owing to the absence of historical cost information, real estate assets are initially recognized at fair value using a depreciated replacement cost methodology. The method involves calculating the cost per unit of measurement, such as cost per square metre, by collecting construction data utilizing in-house cost data (where available) or external cost estimators for each catalogue of real estate assets, and multiplying this unit cost by the external area of the asset to obtain the gross replacement cost. Depreciation allowance deductions from the gross replacement cost to account for physical, functional and economic use of these assets are made to determine the depreciated replacement cost of the assets;

(d) For property, plant and equipment acquired at nil or nominal cost, such as donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

40. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. As not all components of a building have the same useful life or have the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the components approach. Depreciation commences in the month when the United Nations peacekeeping operation gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of the retirement or disposal. Given the expected pattern of usage of property, plant and equipment, residual value is nil unless the residual value is likely to be

significant. The estimated useful lives of property, plant and equipment classes are set out below.

Class	*Subclass*	*Estimated useful life*
Communications and information technology equipment	Information technology equipment	4 years
	Communications and audiovisual equipment	7 years
Vehicles	Light-wheeled vehicles	6 years
	Marine vessels	10 years
	Specialized vehicles, trailers and attachments	6-12 years
	Heavy-wheeled and engineering support vehicles	12 years
Machinery and equipment	Light engineering and construction equipment	5 years
	Medical equipment	5 years
	Security and safety equipment	5 years
	Mine detection and clearing equipment	5 years
	Water treatment and fuel distribution equipment	7 years
	Transportation equipment	7 years
	Heavy engineering and construction equipment	12 years
	Printing and publishing equipment	20 years
Furniture and fixtures	Library reference material	3 years
	Office equipment	4 years
	Fixtures and fittings	7 years
	Furniture	10 years
Buildings	Temporary and mobile buildings	7 years
	Fixed buildings	Up to 50 years
	Finance lease or donated right-to-use buildings	Shorter of term of arrangement or life of building
Infrastructure assets	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

41. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation and property, plant and equipment are incorporated into the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

42. The peacekeeping operations selected the cost model, instead of the revaluation model, for the measurement of property, plant and equipment after initial recognition. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the peacekeeping operations and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

43. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognized in the statement of financial performance as part of other revenue or other expenses.

44. Impairment assessments are conducted during the annual physical verification process and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end net book value greater than $500,000 are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is $25,000.

Intangible assets

45. Intangible assets are carried at cost, less accumulated amortization and accumulated impairment loss. For intangible assets acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost of the asset. The thresholds for recognition are $100,000 per unit for internally generated intangible assets and $20,000 per unit for externally acquired intangible assets.

46. Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring into use the specific software. Development costs that are directly associated with the development of software for use by the Organization are capitalized as an intangible asset. Directly associated costs include software development employee costs, consultants costs and other applicable overhead costs. Intangible assets with finite useful lives are amortized using a straight-line method, starting from the month of acquisition or when they become operational. The useful lives of major classes of intangible assets have been estimated as shown below.

Class	*Range of estimated useful life*
Licences and rights	2-6 years (period of licence/right)
Software acquired externally	3-10 years
Software internally developed	3-10 years
Copyrights	3-10 years
Assets under development	Not amortized

47. Annual impairment reviews of intangible assets are conducted where assets are under development or have an indefinite useful life. Other intangible assets are subject to impairment review only when indicators of impairment are identified.

Financial liabilities: classification

48. Financial liabilities are classified as other financial liabilities. They include accounts payable, unspent funds held for future refund and other liabilities such as balances payable to other United Nations system reporting entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with durations of less than 12 months are recognized at their nominal value. The peacekeeping operations re-evaluate the classification of financial liabilities at each reporting date and de-recognize financial liabilities when contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued expenses

49. Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. Payables are recognized and subsequently measured at their nominal value as they are generally due within 12 months.

Advance receipts and other liabilities

50. Advance receipts are contributions received for future periods. Other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue.

Leases: the peacekeeping operations as lessee

51. Leases of property, plant and equipment where a peacekeeping operation has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payment. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term on the basis of the effective interest rate method.

52. Leases where all of the risks and rewards of ownership are not substantially transferred to a peacekeeping operation are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the period of the lease.

Leases: the peacekeeping operations as lessor

53. The peacekeeping operations lease out (act as a lessor) certain assets under operating leases. Assets subject to operating leases are reported under property, plant and equipment. Lease revenue from operating leases is recognized in the statement of financial performance over the lease term on a straight-line basis.

Donated rights to use

54. The right to use land, buildings, infrastructure assets, machinery and equipment is frequently granted to peacekeeping operations, primarily by host Governments at nil or nominal cost, through donated right-to-use arrangements. These arrangements are accounted for as operating leases or finance leases depending on whether assessment of the agreement indicates that control of the underlying asset is transferred to the peacekeeping operation.

55. When a donated right-to-use arrangement is classified as an operating lease, an expense and corresponding revenue equal to the annual market rent of similar property are recognized in the financial statements. Where a donated right-to-use arrangement is classified as a finance lease (principally with a lease term of over 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the term of the arrangement or the useful life of the property. In addition, a liability for the same amount is recorded and progressively recognized as revenue over the lease term.

56. Donated right-to-use land arrangements are accounted for as operating leases where the peacekeeping operation does not have exclusive control and title to the land is not transferred under restricted deeds. Where title to land is transferred to the peacekeeping operation without restrictions, the land is accounted for as donated property, plant and equipment and recognized at fair value at the acquisition date.

57. The threshold for the recognition of revenue and expenses is yearly rental value equivalent to $20,000 for each donated right-to-use arrangement for land, buildings or infrastructure assets and $5,000 per item for machinery and equipment assets.

Employee benefits

58. Employees are staff members, as described under Article 97 of the Charter, whose employment and contractual relationship with a peacekeeping operation are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term employee benefits

59. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise first-time employee benefits (assignment grants), regular daily, weekly or monthly benefits (wages, salaries and allowances), compensated absences (paid sick leave and maternity/paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes, and home leave travel) provided to current employees on the basis of services rendered. All such benefits that are accrued but not paid at the reporting date are recognized as current liabilities within the statement of financial position.

60. Home leave travel is available to eligible staff and dependants serving in qualifying countries. The liability represents the expected travel cost of the next

home leave entitlement for qualifying staff, adjusted for the proportion of service yet to be performed until the benefit is vested. As home leave travel entitlements are claimed within relatively short periods of time, the effect of discounting for the time value of money is not material.

Post-employment benefits

61. Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and annual leave, which are accounted for as defined-benefit plans, in addition to the pension provided through the United Nations Joint Staff Pension Fund.

Defined-benefit plans

62. The following benefits are accounted for as defined-benefit plans: after-service health insurance, repatriation benefits (post-employment benefits) and accumulated annual leave that is commuted to cash upon separation from the Organization (other long-term benefit). Defined-benefit plans are those where the peacekeeping operations have an obligation to provide agreed benefits and therefore bear the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The peacekeeping operations have elected to recognize changes in the liability valuation from actuarial gains and losses directly through the statement of changes in net assets. As at the reporting date, the peacekeeping operations did not hold any plan assets as defined by IPSAS 25: Employee benefits.

63. Defined-benefit liabilities are calculated by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

64. *After-service health insurance*. After-service health insurance provides worldwide coverage for medical expenses of eligible former staff members and their dependants. Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and five years for those who were recruited prior to that date. The after-service health insurance liability represents the present value of the share of the peacekeeping operations of medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining the residual liability of the peacekeeping operations. Contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the residual liability of the peacekeeping operations in accordance with the cost-sharing ratios authorized by the General Assembly.

65. *Repatriation benefits*. Upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to repatriation benefits, comprising a repatriation grant based upon length of service and travel and removal expenses. A liability is recognized from when the staff member joins a peacekeeping operation and is measured as the present value of the estimated liability for settling these entitlements.

66. *Annual leave*. The liabilities for annual leave represent unused accumulated leave days that are projected to be settled by means of a monetary payment to employees upon their separation from the Organization. The United Nations recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in-first-out assumption in the determination of the annual leave liabilities, whereby staff members access current-period leave entitlements before they access accumulated annual leave balances relating to prior periods. Effectively, the accumulated annual leave benefit is accessed more than 12 months after the end of the reporting period in which the benefit arose, and overall, there is an increase in the level of accumulated annual leave days, pointing to the commutation of accumulated annual leave to a cash settlement at end of service as the true liability of the Organization. The accumulated annual leave benefit reflecting the outflow of economic resources from the Organization at end of service is therefore classified as other long-term benefit, noting that the portion of the accumulated annual leave benefit that is expected to be settled through monetary payment within 12 months after the reporting date is classified as a current liability. In line with IPSAS 25: Employee benefits, other long-term benefits must be valued similarly as post-employment benefits; therefore, the peacekeeping operation values its accumulated annual leave benefit liability as a defined post-employment benefit that is actuarially valued.

Pension plan: United Nations Joint Staff Pension Fund

67. The peacekeeping operations form a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified by article 3 (b) of the Regulations of the Pension Fund, membership of the Fund is open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligations, plan assets, and costs to individual organizations participating in the Fund. The peacekeeping operations, in line with other participating organizations, are not in a position to identify their proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the peacekeeping operations have treated this plan as if it were a defined-contribution plan in line with the requirements of IPSAS 25. Contributions by the peacekeeping operations to the Pension Fund during

the financial year are recognized as employee benefit expenses in the statement of financial performance.

Termination benefits

68. Termination benefits are recognized as an expense only when the peacekeeping operation is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan either to terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits will fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Other long-term employee benefits

69. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service.

70. Appendix D to the Staff Rules governs compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Actuaries value these liabilities and actuarial gains or losses in the liability are recognized in the statement of changes in net assets.

Provisions

71. Provisions are liabilities recognized for future expenditure of an uncertain amount or timing. A provision is recognized if, as a result of a past event, the peacekeeping operation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

72. Uncommitted balances of the current-year appropriations and expired balances of the appropriations retained from prior years are required to be surrendered to the Member States. Investment income and other income are also returned to the Member States, together with the surrendered appropriations. At the reporting date, provisions are made for the surplus balances to be returned to the Member States with an adjustment to net assets. The surplus balances remain as provisions until the General Assembly decides the manner of their disposal.

Contingent liabilities

73. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations, or present obligations that arise from past events but are not recognized because it is not probable that an outflow of resources embodying

economic benefits or service potential will be required to settle the obligations or because the amount of the obligations cannot be reliably measured.

Contingent assets

74. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations.

Commitments

75. Commitments are future expenses that are to be incurred on contracts entered into by the reporting date and that the peacekeeping operations have minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the peacekeeping operations in future periods, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

76. Assessed contributions for the peacekeeping operations are assessed and approved for a one-year budget period. Assessed contributions are recognized as revenue at the beginning of the year.

77. Assessed contributions include the amounts assessed to the Member States to finance the activities of the peacekeeping operations in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-Member States is presented in the statement of financial performance.

Non-exchange revenue: voluntary contributions

78. Voluntary contributions and other transfers that are supported by legally enforceable agreements are recognized as revenue at the time the agreement becomes binding, which is the point when a peacekeeping operation is deemed to acquire control of the asset. Where cash is received subject to specific conditions, however, recognition is deferred until those conditions have been satisfied.

79. Voluntary pledges and other promised donations that are not supported by binding agreements with terms of offer and acceptance are recognized as revenue upon the receipt of cash. Unused funds returned to the donor are netted against revenue (if those funds are recognized as revenue during the year) or shown as a reduction of net assets if the funds were recognized in the previous year.

80. Revenue received under inter-organizational arrangements represents allocations of funding from agencies to enable a peacekeeping organization to administer projects or other programmes on their behalf.

81. In-kind contributions of goods above the recognition threshold of $20,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the peacekeeping

operations and the fair value of those assets can be measured reliably. For vehicles, prefabricated buildings, satellite communication systems, generators and network equipment a lower threshold of $5,000 applies. Contributions in-kind are initially measured at their fair value at the date of receipt, determined by reference to observable market values or by independent appraisals. The peacekeeping operations have elected not to recognize in-kind contributions of services, but to disclose in-kind contributions of services above the threshold of $20,000 in the notes to the financial statements.

Exchange revenue

82. Exchange transactions are those where the peacekeeping operations sell goods or services in exchange for compensation. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria as described below have been met:

(a) Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities and other partners is recognized when the service is performed;

(b) Exchange revenue also includes income from the rental of premises, the sale of used or surplus property and income from net gains resulting from currency exchange adjustments.

Investment revenue

83. Investment revenue includes the share of the peacekeeping operations of net cash pool income and other interest income. The net cash pool income includes any gains or losses on the sale of investments, which are calculated as the difference between the sale proceeds and book value. Transaction costs that are directly attributable to investment activities are netted against income and the net income is distributed proportionately to all cash pool participants based on their average daily balances. The cash pool income also includes the value of unrealized market gains and losses on securities, which is distributed proportionately to all participants based on year-end balances.

Expenses

84. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

85. Employee salaries include international, national and general temporary staff salaries, post adjustment and staff assessment. The allowances and benefits include other staff entitlements, including pension and insurance subsidies, staff mission subsistence, assignment, repatriation, hardship and other allowances. Expenses for contingent contracted services relate to troop costs, contingent self-sustainment costs, contingent-owned equipment reimbursements and compensation for troop death and disability costs. Non-employee compensation and allowances consist of living

allowances and post-employment benefits for United Nations Volunteers, consultant fees, mission subsistence and clothing allowances, death and disability and residual security and welfare costs for military observers and civilian police. Supplies and consumables expenses relate to spare parts for facilities, vehicles, machinery and equipment, and communications and information technology equipment, in addition to petroleum, oil and lubricant costs. This category of expenses also includes rations, medical supplies, uniforms and safety and security supplies. Other operating expenses include maintenance, travel, consultancies, security services, shared services, rental, insurance, allowance for bad debt and write-off expenses.

Note 4
Restatement of comparative prior period information

86. The Organization conducted a harmonization of the format and presentation of financial statements across the reporting entities of the Secretariat, which resulted in the reassignment of certain amounts to different lines in the financial statements and the separation or merging of certain financial statement lines. The prior-period columns and notes disclosures were restated, where applicable, to conform to the current presentation. The reclassifications had no effect on surplus or net assets.

Note 5
Segment reporting

87. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and to make decisions about the future allocation of resources.

88. United Nations peacekeeping classifies its operations into three segments:

(a) *Active missions*

• UNFICYP	• MINURSO	• UNMIL	• UNAMID	• UNMISS
• UNDOF	• UNMIK	• UNOCI	• UNSOS	• MINUSMA
• UNIFIL	• MONUSCO	• MINUSTAH	• UNISFA	• MINUSCA

(b) *Closed missions*

• UNSMIS	• UNMISET/UNTAET	• UNTAES/UNPSG	• UNSOM
• UNMIT	• UNIKOM	• UNOMIL	• UNMLT
• UNMIS	• UNMIBH	• UNPF	• UNTAC
• MINURCAT	• UNMOT	• MINUGUA	• UNTAG
• UNOMIG	• MIPONUH/UNSMIH/ UNTMIH	• UNMIH	• UNIIMOG
• UNMEE	• MINURCA	• UNAMIR/UNOMIR	• UNEF (1956)
• ONUB	• MONUA/UNAVEM	• ONUSAL	• ONUC
• UNAMSIL/ UNOMSIL	• UNPREDEP	• ONUMOZ	

(c) *Support activities*

- Support account for peacekeeping operations
- Employee Benefits Funds
- Peacekeeping cost recovery
- Peacekeeping Reserve Fund
- UNLB/strategic deployment stocks

89. The segment revenue, expenses, assets and liabilities for the current and prior year are set out below.

(Thousands of United States dollars)

Current year	*Active missions*	*Closed missions*	*Support activities*	*Eliminations*	*Total 2015/16*
Segment revenue					
Assessed contributions	8 282 141	–	–	–	8 282 141
Voluntary contributions	387 178	–	5 229	–	392 407
Transfers and allocations	–	–	390 199	(390 199)[a]	–
Other external sources	42 816	2 625	52 073	(45 706)[a]	51 808
Total revenue	**8 712 135**	**2 625**	**447 501**	**(435 905)**	**8 726 356**
Total segment expense	**8 728 289**	**30 855**	**552 937**	**(435 905)**[a]	**8 876 176**
Segment assets	4 680 915	259 963	430 575	(63 829)[b]	5 307 624
Segment liabilities	2 589 653	308 864	1 713 897	(63 829)[b]	4 548 585

[a] $390.2 million represents the allocation from active missions to support activities (which for revenue includes a transfer of $0.7 million to the support account); $45.7 million represents the transfer of strategic deployment stocks to missions ($22.7 million), the transfer of assets between peacekeeping missions ($19.5 million) and the allocation from active missions to the reserve fund for workers' compensation ($3.5 million).

[b] $63.8 million for cross-borrowings between missions.

(Thousands of United States dollars)

Prior year	*Active missions*	*Closed missions*	*Support activities*	*Eliminations*	*Total 2014/15*
Segment revenue					
Assessed contributions	8 503 612	–	–	–	8 503 612
Voluntary contributions	191 709	–	3 676	–	195 385
Transfers and allocations	42 249	–	483 105	(509 703)[a]	15 651
Other external sources	45 818	6 363	4 018	–	56 199
Total revenue	**8 783 388**	**6 363**	**490 799**	**(509 703)**	**8 770 847**
Total segment expense	**8 689 900**	**26 205**	**551 918**	**(508 864)**[a]	**8 759 159**
Segment assets	4 672 560	306 770	451 928	(72 134)[b]	5 359 124
Segment liabilities	2 565 145	327 440	1 605 647	(72 134)[b]	4 426 098

[a] $408.8 million for the allocation from active missions to support activities (which for revenue includes a $0.8 million transfer to the support account), $59.6 million for the transfer of strategic deployment stocks to missions and $40.4 million for the transfer of assets between peacekeeping missions.

[b] $47.1 million for cross-borrowings between missions and $25.0 million for inter-mission receivables.

Note 6
Comparison to budget

90. Statement V: the statement of comparison of budget and actual amounts presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

91. Approved budgets are those that permit expenses to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized for each mission under General Assembly resolutions.

Material differences

92. The original budget amounts are the appropriations approved on 30 June 2015 by the General Assembly for the financial year from 1 July 2015 to 30 June 2016. The final budget reflects the original budget appropriation with any amendments by the General Assembly.

93. Material differences between the final budget appropriation and actual expenditure on a modified accrual basis are deemed to be those greater than 5 per cent and are also considered below.

Mission	*General Assembly resolution*	*Note*
UNFICYP	69/296	**Expenditure 6.18 per cent ($3.5 million) less than final appropriation:** The underexpenditures were due mainly to the reduced number of troop rotations owing to the changes in the rotation period from 6 months to 12 months for the military contingent deployed after 1 January 2015. Also, lower electricity cost, lower requirements for maintenance services and the higher vacancy rate in civilian staff held down the expenditures
UNDOF	69/301	Non-material difference
UNIFIL	69/302	Non-material difference
MINURSO	69/305	Non-material difference
UNMIK	69/300	Non-material difference
MONUSCO	69/297	Non-material difference
UNMIL	69/259 B	**Expenditure 8.68 per cent ($31.4 million) less than final appropriation:** The unutilized balances were due mainly to the faster-than-planned drawdown of the mission, which resulted in a reduction of military and police personnel and operational requirements. The underexpenditures were partially offset by separation payments to national staff

Mission	*General Assembly resolution*	*Note*
UNOCI	69/258 B	**Expenditure 11.52 per cent ($48.7 million) less than final appropriation:** The underexpenditures were due mainly to the higher vacancy rate of uniformed personnel and civilian staff. The gradual drawdown of the mission resulted in the reduction of various services for facilities and infrastructure and lower consumption of aviation fuel at lower fuel cost
MINUSTAH	69/299	**Expenditure 6.35 per cent ($25.4 million) less than final appropriation:** The underexpenditures were due mainly to the closure of three camps and two regional offices and the higher vacancy rate of police and civilian staff. Postponed elections and the ongoing consolidation activities of the mission reduced the requirements for communications services. The underexpenditures were partially offset by the lower vacancy rate of military contingent personnel
UNAMID	69/261 B	**Expenditure 5.02 per cent ($58.0 million) less than final appropriation:** The underexpenditures were due mainly to the higher vacancy rate of international staff, lower fuel prices, non-deployment of four rotary-wing aircraft and the lower utilization of fixed-wing aircraft
UNSOS	69/306	Non-material difference
UNISFA	69/294	Non-material difference
UNMISS	69/260 B	Non-material difference
MINUSMA	69/289 B	Non-material difference
MINUSCA	69/257 B	Non-material difference
Support account	69/308	Non-material difference
UNLB: other activities	69/309	Non-material difference

94. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts (statement V) and the actual amounts in the statement of cash flows (statement IV) is reflected in the table below.

Budget reconciliation for the year ended 30 June 2016

(Thousands of United States dollars)

	Operating	*Investing*	*Financing*	*Total*
Actual amount on comparable basis (statement V)	**(8 020 177)**	–	–	**(8 020 177)**
Basis differences	43 044	(316 717)	–	(273 673)
Presentation differences	8 017 858	(115 863)	–	7 901 995
Actual amount in statement of cash flows (statement IV)	**40 725**	**(432 580)**	–	**(391 855)**

Budget reconciliation for the year ended 30 June 2015

(Thousands of United States dollars)

	Operating[a]	*Investing*	*Financing*	*Total*
Actual amount on comparable basis (statement V)	**(8 295 320)**	–	–	**(8 295 320)**
Basis differences	235 759	(278 129)	–	(42 370)
Presentation differences	8 401 321	16 937	3 826	8 422 084
Actual amount in statement of cash flows (statement IV)	**341 760**	**(261 192)**	**3 826**	**84 394**

[a] Restated to conform to current presentation.

95. Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results with the statement of cash flows, the modified cash elements, such as commitments against budget, must be eliminated. These commitments do not represent cash flows while they pertain to budgetary expenditures. Similarly, IPSAS-specific differences such as payments against prior-year commitments and investing cash flows relating to acquisition of property, plant and equipment or intangible assets are included to reconcile the budgetary results with the statement of cash flows.

96. Entity differences represent cash flows of fund groups other than those of the peacekeeping operations that are reported in the financial statements. The financial statements include results for all fund groups.

97. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As the budget reflects the reporting period, there are no timing differences.

98. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts. The latter does not include either income or the net changes in cash pool balances. Other presentation differences are amounts that are included in the statement of comparison of budget and actual amounts but cannot be separated from the operating, investing and financing activities.

Note 7
Cash and cash equivalents

(Thousands of United States dollars)

	30 June 2016	*30 June 2015[a]*
Cash at bank and on hand	1 090	3 645
Cash pool cash and term deposits — original maturity of less than three months	183 446	572 746
Total cash and cash equivalents	**184 536**	**576 391**

[a] Corrected.

Note 8
Receivables from non-exchange transactions: assessed contributions

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*
Assessed contributions	1 836 109	1 733 929
Allowance for doubtful receivables	(594 329)	(609 629)
Total assessed contributions receivable	**1 241 780**	**1 124 300**

Note 9
Receivables from non-exchange transactions: voluntary contributions

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*
Voluntary contributions	5 225	7 953
Allowance for doubtful receivables	(5 225)	(5 244)
Total voluntary contributions receivable	**–**	**2 709**

Note 10
Other receivables

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*
Member States	135 931	136 607
Receivables from United Nations related party entities	15 911	19 625
Other exchange revenue receivables	17 929	16 189
Allowance for doubtful receivables	(134 862)	(135 314)
Total other receivables	**34 909**	**37 107**

Note 11
Inventories

(Thousands of United States dollars)

	Strategic reserves	*Consumables and supplies*	*Total*
Opening inventory as at 1 July 2014	**106 511**	**282 197**	**388 708**
Purchased in prior year	30 125	139 115	169 240
Consumption in prior year	(45 542)	(148 581)	(194 123)
Impairment and write-offs in prior year	(1 214)	–	(1 214)
Total inventory as at 30 June 2015	**89 880**	**272 731**	**362 611**
Purchased in year	31 117	164 781	195 898
Consumption in year	(28 483)	(168 725)	(197 208)
Impairment and write-offs in year	(1 164)	–	(1 164)
Total inventory as at 30 June 2016	**91 350**	**268 787**	**360 137**

Note 12
Other assets

99. The categories under other assets have been reclassified to present more detailed composition. Deferred charges include education grant prepayments for future school years. Advances, which were previously included in deferred charges or reported as other assets relating to United Nations entities, have been grouped by recipient type. Accrued cash pool investment income has been reclassified as a part of short-term investment (see note 22).

(Thousands of United States dollars)

	30 June 2016	*30 June 2015**
Deferred charges	8 400	7 622
Advances to UNDP and other United Nations entities	4 871	1 901
Advances to military and other personnel	1 022	702
Advances to vendors	278	738
Other advances	3 724	397
Other	1 816	3 521
Total other assets	**20 111**	**14 881**

* Restated to conform to current presentation.

Note 13
Property, plant and equipment

100. During the year, the peacekeeping operations wrote down property, plant and equipment by $8.5 million (2014/15: $31.0 million), at net book value. Equipment was written down by $4.9 million (2014/15: $6.9 million), of which $2.0 million

related to accidents (2014/15: $2.0 million), $1.1 million to malfunctions (2014/15: $0.3 million), $0.9 million to hostile action or natural disasters (2014/15: $1.2 million) and $1.0 million to other losses (2014/15: $3.4 million). Buildings and assets under construction were written down by $3.6 million (2014/15: $24.1 million), of which $2.8 million was owing to relocation and closure of sites (2014/2015: $6.5 million), $0.6 million to donations to host Governments (2014/15: $0.1 million) and $0.1 million to other losses (2014/2015: none). As at the reporting date, the peacekeeping operations did not identify any additional impairment.

101. The peacekeeping operations had no significant heritage assets as at the reporting date (2014/15: none).

Property, plant and equipment: 2015/16

(Thousands of United States dollars)

	Buildings	Infrastructure	Leasehold improvements	Furniture and fixtures	Communications and information technology equipment	Vehicles	Machinery and equipment	Assets under construction	Total
Cost as at 1 July 2015	**864 147**	**418 287**	**422**	**4 777**	**371 322**	**865 914**	**407 079**	**60 142**	**2 992 010**
Additions	59 618	–	–	145	51 553	75 459	34 330	102 305	323 410
Disposals	(48 562)	(4 276)	–	(207)	(26 237)	(42 189)	(10 036)	–	(131 507)
Completed assets under construction	24 631	88 706	–	–	–	–	–	(113 337)	–
Cost as at 30 June 2016	**899 834**	**502 637**	**422**	**4 715**	**396 638**	**899 184**	**431 373**	**49 110**	**3 183 913**
Accumulated depreciation as at 1 July 2015	**(468 526)**	**(134 030)**	**(42)**	**(3 090)**	**(250 502)**	**(518 205)**	**(217 301)**	–	**(1 591 696)**
Depreciation	(58 567)	(28 028)	(85)	(386)	(40 424)	(60 629)	(35 764)	–	(223 883)
Disposals	36 202	2 650	–	210	26 680	47 077	11 420	–	124 239
Impairment and write-offs in year	(1 669)	(498)	–	(26)	(406)	(3 137)	(1 224)	–	(6 960)
Accumulated depreciation as at 30 June 2016	**(492 560)**	**(159 906)**	**(127)**	**(3 292)**	**(264 652)**	**(534 894)**	**(242 869)**	–	**(1 698 300)**
Net carrying amount 1 July 2015	395 621	284 177	380	1 687	120 820	347 709	189 778	60 142	1 400 314
Net carrying amount 30 June 2016	**407 274**	**342 731**	**295**	**1 423**	**131 986**	**364 290**	**188 504**	**49 110**	**1 485 613**

Property, plant and equipment: 2014/15[a]

(Thousands of United States dollars)

	Buildings	*Infrastructure*	*Leasehold improvements*	*Furniture and fixtures*	*Communications and information technology equipment*	*Vehicles*	*Machinery and equipment*	*Assets under construction*	*Total*
Cost as at 1 July 2014	**841 585**	**393 604**	–	**4 695**	**354 185**	**822 837**	**372 908**	**50 024**	**2 839 838**
Additions	58 188	775	–	196	41 068	94 667	50 599	75 264	321 179
Disposals	(65 379)	(11 565)	–	(114)	(23 931)	(51 590)	(16 428)	–	(169 007)
Completed assets under construction	29 753	35 393	–	–	–	–	–	(65 146)	–
Cost as at 30 June 2015	**864 147**	**418 207**	**422**	**4 777**	**371 322**	**865 914**	**407 079**	**60 142**	**2 992 010**
Accumulated depreciation as at 1 July 2014	**(446 511)**	**(115 286)**	–	**(2 859)**	**(228 972)**	**(497 397)**	**(193 088)**	–	**(1 484 113)**
Depreciation	(60 757)	(24 819)	(42)	(271)	(39 124)	(67 195)	(34 469)	–	(226 677)
Disposals	39 950	6 334	–	43	17 867	49 286	12 477	–	125 957
Impairment and write-offs in year	(1 208)	(259)	–	(3)	(273)	(2 899)	(2 221)	–	(6 863)
Accumulated depreciation as at 30 June 2015	**(468 526)**	**(134 030)**	**(42)**	**(3 090)**	**(250 502)**	**(518 205)**	**(217 301)**	–	**(1 591 696)**
Net carrying amount 1 July 2014	395 074	278 318	–	1 836	125 213	325 440	179 820	50 024	1 355 725
Net carrying amount 30 June 2015	**395 621**	**284 177**	**380**	**1 687**	**120 820**	**347 709**	**189 778**	**60 142**	**1 400 314**

[a] Restated to conform to current presentation. Accumulated impairment has been reclassified from cost to accumulated depreciation.

Note 14
Intangible assets

(Thousands of United States dollars)

	Software internally developed	*License rights*	*Total*
Opening cost 1 July 2015	–	–	–
Additions	370	206	576
Total cost 30 June 2016	**370**	**206**	**576**
Opening accumulated amortization 1 July 2015	–	–	–
Amortization	6	4	10
Closing accumulated amortization 30 June 2016	**6**	**4**	**10**
Net book value 1 July 2015	–	–	–
Net book value 30 June 2016	**364**	**202**	**566**

102. Umoja, the United Nations enterprise resource planning system, was developed and deployed with a budget of $385.1 million to 31 December 2015 and has additional budgetary resources of $54.3 million in the biennium 2016-2017. The share of Umoja chargeable to peacekeeping operations is $238.7 million and $33.6 million, respectively. During the current financial period, the peacekeeping operations contributed $31.3 million (2014/15: $20.1 million) to Umoja-related expenditure, thereby bringing the total contribution of the peacekeeping operations to $247.2 million as at 30 June 2016. Capitalizable expenditure related to Umoja is reported as an intangible asset in the financial statements of the United Nations Volume I, and the cost-sharing of United Nations peacekeeping operations is expensed in these financial statements.

Note 15
Accounts payable

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*[a]
Accruals for goods and services	1 192 987	1 108 519
Vendor payables	241 930	203 832
Payables to United Nations related party entities	17 727	15 083
Transfers payable	2 452	–
Other	19 043	26 955
Subtotal	**1 474 139**	**1 354 389**
Member States accounts payable	602 353	836 374
Total accounts payable	**2 076 492**	**2 190 763**

[a] Restated to conform to current presentation. Other accounts payable of $19.2 million, which relate to accrued salaries and allowance, have been reclassified to employee benefits liabilities (see note 17).

Note 16
Advance receipts

103. Advance receipts of $110.5 million (2014/15: 7.4 million) relate to contributions received which will be applied to the subsequent years' assessment.

Note 17
Employee benefits liabilities

(Thousands of United States dollars)

	Current	*Non-current*	*Total*
Year ended 30 June 2016			
After-service health insurance	8 381	1 291 920	1 300 301
Annual leave	5 434	115 594	121 028
Repatriation benefits	12 765	214 790	227 555
Subtotal defined benefit liabilities	**26 580**	**1 622 304**	**1 648 884**
Accrued salaries and allowances	58 018	–	58 018
Appendix D/workers' compensation	–	37 554	37 554
Total employee benefits liabilities	**84 598**	**1 659 858**	**1 744 456**
Year ended 30 June 2015			
After-service health insurance	17 737	1 174 601	1 192 338
Annual leave	9 074	124 999	134 073
Repatriation benefits	14 307	166 616	180 923
Subtotal defined benefit liabilities	**41 118**	**1 466 216**	**1 507 334**
Accrued salaries and allowances[a]	54 262	–	54 262
Appendix D/workers' compensation	449	44 393	44 842
Total employee benefits liabilities	**95 829**	**1 510 609**	**1 606 438**

[a] Restated to conform to current presentation (see note 15).

104. The liabilities arising from post-employment benefits are determined by independent actuaries and are established in accordance with the Staff rules and Staff Regulations. Actuarial valuation is usually undertaken every two years. The most recent actuarial valuation was conducted as at 31 December 2015.

Actuarial valuation: assumptions

105. The peacekeeping operations review and select assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for employee benefits. The principal actuarial assumptions used to determine the employee benefit obligations are shown below.

(Percentage)

Actuarial assumptions	*After-service health insurance*	*Repatriation benefits*	*Annual leave*
Discount rates (30 June 2016)	3.70	2.79	2.89
Discount rates (30 June 2015)	3.74	3.79	3.92
Expected rate of medical cost increase (30 June 2016)	4.0-6.4	–	–
Expected rate of medical cost increase (30 June 2015)	5.0-6.8	–	–
Travel costs increase (30 June 2016)	–	2.25	–
Travel costs increase (30 June 2015)	–	2.25	–

106. Discount rates are based on a weighted blend of three discount rate assumptions based on the currency denomination of the different cash flows: United States dollars (Citigroup Pension Discount Curve), euros (euro area government yield curve) and Swiss francs (Federation bonds yield curve).

107. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care costs trend rate assumption is revised to reflect the current short-term expectations of the after-service health insurance plan cost increases and economic environment. Medical costs trend assumptions that were used for the valuation as at 31 December 2015, which included escalation rates for future years, were maintained for roll-forward, since no significant evolution regarding the medical trend has been observed. At 30 June 2016, these escalation rates were a flat health-care yearly escalation rate of 4.0 per cent (2014/15: 5.0 per cent) for non-United States medical plans, escalation rates of 6.4 per cent (2014/15: 6.8 per cent) for the United States medical non-Medicare plans, 5.9 per cent (2014/15: 6.1 per cent) for the United States medical Medicare plan, and 4.9 per cent (2014/15: 5.0 per cent) for the United States dental plan. These escalation rates were assumed to grade down to 4.5 per cent over 10 years.

108. With regard to valuation of repatriation benefits as at 30 June 2016, inflation in travel costs was assumed to be 2.25 per cent (2014/15: 2.25 per cent) on the basis of the projected United States inflation rates over the next 10 years.

109. Annual leave balances were assumed to increase at the following annual rates during the staff member's projected years of service: 1-3 years — 10.9 days; 4-8 years — 1 day; and over 8 years — 0.5 days up to the maximum 60 days. This assumption was maintained for the roll-forward of peacekeeping accounts.

110. For defined-benefit plans, assumptions regarding future mortality are based on published statistics and mortality tables. Salary increases, retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation. Mortality assumptions for appendix D/workers' compensation are based on World Health Organization statistical tables.

Movement in employee benefits liabilities accounted for as defined-benefits plans

(Thousands of United States dollars)

	2015/16	*2014/15[a]*
Net defined-benefit liability at 1 July	**1 507 334**	**1 346 846**
Current service cost	109 029	113 525
	57 098	
Interest cost		51 587
Benefits paid	(48 744)	(41 647)
Total net costs recognized in the statement of financial performance	**117 383**	**123 465**
Actuarial losses recognized directly in the statement of changes in net assets[b]	24 167	37 023
Net defined benefit liability at 30 June	**1 648 884**	**1 507 334**

[a] Restated to conform to current presentation. Appendix D/workers' compensation liability has been reclassified to employee benefits liabilities (see note 17).

[b] The cumulative amount of actuarial gains and losses recognized in the statement of changes in net assets is a net loss of $151.0 million (2014/15: net loss of $126.8 million).

Discount rate sensitivity analysis

111. The changes in discount rates are driven by the discount curve, which is calculated on the basis of corporate and government bonds. The bond markets were volatile during the reporting period, and volatility has an impact on the discount rate assumption. Should the discount rate assumption vary by 1 per cent, its impact on the obligations would be as shown in the table below.

(Thousands of United States dollars)

	After-service health insurance	*Repatriation benefits*	*Annual leave*
2015/16			
Increase of discount rate by 1 per cent	(240 006)	(19 202)	(10 946)
As a percentage of end-of-year liability	(18)	(8)	(10)
Decrease of discount rate by 1 per cent	318 222	21 502	12 802
As a percentage of end-of-year liability	24	10	10
2014/15			
Increase of discount rate by 1 per cent	(206 804)	(17 513)	(13 058)
As a percentage of end-of-year liability	(17)	(10)	(10)
Decrease of discount rate by 1 per cent	276 040	19 550	15 363
As a percentage of end-of-year liability	23	11	11

Medical cost sensitivity analysis

112. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability due to changes in the medical cost rates while holding other assumptions constant, such as the discount rate. Should the medical cost trend assumption vary by 1 per cent, this would have an impact on the measurement of the defined benefit obligations as shown in the table below.

(Thousands of United States dollars)

	2015-16		*2014-15*	
	Increase	*Decrease*	*Increase*	*Decrease*
1 per cent movement in the assumed medical cost trend rates:				
Effect on the after-service health insurance defined-benefit obligation	322 324	(244 144)	293 835	(222 288)
Effect on the aggregate of the current service cost and interest cost	36 656	(27 774)	40 352	(29 758)

Other defined-benefit plan information

113. The benefits paid are estimates of what would have been paid to separating staff and/or retirees during the year based on the pattern of rights acquisition under each scheme: after-service health insurance, repatriation and commutation of accrued annual leave.

Historical information: total after-service health insurance, annual leave and repatriation defined-benefits liability, as at 30 June

(Thousands of United States dollars)

	2015	*2014*	*2013*	*2012*	*2011*
Present value of defined-benefit obligations	1 507 334	1 346 846	1 183 133	1 143 154	709 785

Accrued salaries and allowances

114. Other accrued salaries liabilities as at the reporting date includes accruals for home leave of $28.0 million (2014/15: $19.6 million), repatriation and resettlement allowance of $9.4 million (2014/15: $7.2 million), family visits of $0.6 million (2014/15: $4.8 million), compensatory time off of $1.3 million (2014/15: $1.3 million) and other accrued salaries and other benefits of $18.7 million (2014/15: $19.2 million).

Fund for peacekeeping compensation payments — appendix D/workers' compensation

115. The fund for peacekeeping compensation payments relates to the payment of compensation with respect to death, injury or illness attributable to the performance of official duties. The rules governing the compensation payments are under

appendix D to the Staff Rules. The fund allows the peacekeeping operations to continue to fulfil their obligation to make compensation payments for death, injury or illness incurred while serving in a peacekeeping mission well after the mandate of the mission has ended and the mission has been liquidated.

116. The fund derives its revenue from a charge of 0.5 per cent of net base salary, including post adjustment, which is recorded as employee expenses against the budgets of the peacekeeping missions. The fund covers appendix D claims submitted by peacekeeping personnel, covering monthly death and disability benefits and lump sum payments for injury or illness as well as medical expenses.

117. The long-term liability to the peacekeeping operations relating to death and disability of staff in peacekeeping operations is actuarially valued and recorded in the fund and included in the financial statements of the peacekeeping operations. The post-retirement death benefit, which was included in the fund in prior years but not applicable to the Organization, has been removed.

United Nations Joint Staff Pension Fund

118. The Regulations of the United Nations Joint Staff Pension Fund state that the Pension Board shall have an actuarial valuation made of the Pension Fund at least once every three years by the consulting actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

119. The financial obligation of the United Nations peacekeeping operations to the Pension Fund consists of their mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent (2014/15: 7.90 per cent) for participants and 15.80 per cent (2014/15: 15.80 per cent) for member organizations), together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to remedying this deficiency with an amount proportionate to the total contributions that each paid during the three years preceding the valuation date.

120. The actuarial valuation performed as at 31 December 2015 revealed an actuarial surplus of 0.16 per cent (deficit of 0.72 per cent in the 2013 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance in the Pension Fund as at 31 December 2015 was 23.54 per cent of pensionable remuneration, compared to the actual contribution rate of 23.70 per cent. The next actuarial valuation will be conducted as at 31 December 2017.

121. At 31 December 2015, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 141.10 per cent (127.50 per cent in the 2013 valuation). The funded ratio was 100.90 per cent (91.20 per cent in the 2013 valuation) when the current system of pension adjustments was taken into account.

122. After assessing the actuarial sufficiency of the Pension Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2015, for deficiency payments under article 26 of the Regulations of the Pension Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as at the valuation date. At the time of the present report, the General Assembly has not invoked the provision of article 26.

123. In December 2012 and April 2013, the General Assembly authorized an increase to age 65 as the normal retirement age and as the mandatory age of separation, respectively, for new participants in the Pension Fund, to take effect no later than 1 January 2014. The related change to the Regulations of the Fund was approved by the Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Pension Fund as at 31 December 2013. The United Nations Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board on the audit every year. The Pension Fund publishes quarterly reports on its investments and these can be viewed by visiting the Fund's website at www.unjspf.org.

Termination benefits

124. United Nations peacekeeping operations had no liabilities for termination benefits as at the reporting date (2014/15: none).

Impact of General Assembly resolutions on staff benefits

125. By its resolution 70/244 the General Assembly approved certain changes to conditions of service and entitlements for all staff serving in the organizations of the United Nations common system, as recommended by the International Civil Service Commission. Some of the changes that may impact the calculation of other long-term and end-of-service employee benefit liabilities are as follows:

Change	*Details*
Increase in mandatory age of separation	The mandatory age of retirement for staff members who joined the Organization on or after 1 January 2014 is 65 and for those who joined before 1 January 2014 is 60 or 62. The General Assembly decided to extend the mandatory age of separation for staff recruited before 1 January 2014 by organizations of the United Nations common system to 65 years, at the latest by 1 January 2018, taking into account the acquired rights of staff. Once implemented, this change is expected to impact future calculations of employee benefit liabilities
Unified salary structure	The current salary scales for internationally recruited staff (Professional and Field Service categories) are based on single or dependent rates. These rates affect the staff assessment and post adjustment amounts. The General Assembly has approved a unified salary scale that will result in the elimination of single and dependent rates. The dependent rate will be replaced by allowances for staff members who have recognized dependants in

Change	*Details*
	accordance with the Staff Regulations and Rules of the Organization. Revised staff assessment and pensionable remuneration scales will be implemented along with the unified salary structure. The implementation of the unified salary scale is planned for 1 January 2017 and is not designed to result in reduced payments for staff members However, it is expected that the unified salary scale, once implemented, will impact the calculation and valuation of the repatriation benefit and the commuted annual leave benefit. Currently, the repatriation benefit is calculated on the basis of gross salary and staff assessment at date of separation, whereas commuted annual leave is calculated on the basis of gross salary, post adjustment and staff assessment at date of separation
Repatriation benefit	Staff members are eligible for repatriation grant upon separation provided they have been in service for at least one year in a duty station outside of their country of nationality. The General Assembly has since revised the eligibility for repatriation grant from one year to five years for prospective employees, while current employees retain the one-year eligibility. Once implemented, this change is expected to impact future calculations of employee benefit liabilities

126. As at the reporting date, the necessary information regarding implementation of the proposed changes was not available. Therefore, the Organization is not able to perform a detailed impact analysis of the proposed changes on employee benefit liabilities for the 2015 financial period. In accordance with the requirements of IPSAS 1, the Organization will determine such impact when the relevant information becomes available, which is expected to be by the end of 2016, and material, appropriate adjustments and/or disclosures will be made in the financial statements for 2016/17.

Note 18
Provisions

127. The peacekeeping missions are subject to a variety of claims that arise in the course of their operations. These claims are segregated into two main categories: commercial and administrative law claims. As at the reporting date, several commercial claims for non-performance or breach of contract and non-consensual use of premises were pending against several peacekeeping operations in various locations. As at the 30 June 2016, the amount to settle these cases was estimated at $19.0 million (2014/15: $6.9 million), including $3.2 million carried over from the prior year. A provision of $1.4 million (2014/15: $1.7 million) was established for administrative cases brought by current or former staff members.

128. The total provision of $29.4 million includes restoration provisions of $9.0 million to return premises to their original shape and conditions upon vacation

of the premises. The restoration provisions consist of $5.5 million for the current year and $3.5 million carried over from the prior year.

129. Provisions have been made in the amount of $526.4 million (2014/15: $470.4 million) for credits to Member States, the disposal of which will be decided by the General Assembly in the next fiscal year. The credits comprise uncommitted appropriations of $278.7 million (2014/15: $275.2 million), investment revenue of $18.4 million (2014/15: $19.8 million), other revenue and prior-period adjustment of $14.6 million (2014/15: 20.4 million) and cancellation of prior-period obligations amounting to $214.7 million (2014/15: $155.1 million).

(Thousands of United States dollars)

	Credits to Member States	*Claims and restoration*	*Total*
Provisions as at 1 July 2014	**439 646**	**28 645**	**468 291**
Additional provisions made	470 432	2 114	472 546
Unused amounts reversed	(8 001)	(10 332)	(18 333)
Amounts used	(431 645)	(7 548)	(439 193)
Provisions as at 30 June 2015	**470 432**	**12 879**	**483 311**
Additional provisions made	526 396	21 918	548 314
Unused amounts reversed	(58 593)	(3 539)	(62 132)
Amounts used	(411 839)	(1 856)	(413 695)
Provisions as at 30 June 2016	**526 396**	**29 402**	**555 798**

Note 19
Other liabilities

(Thousands of United States dollars)

	30 June 2016	*30 June 2015[a]*
Borrowings	47 376	47 376
Interfund payable	–	75 264
Deferred income	12 187	11 735
Other liabilities	1 816	3 838
Total other liabilities	**61 379**	**138 213**

Note 20
Accumulated surpluses/deficits

130. The unrestricted accumulated surplus includes the accumulated deficit for liabilities for after-service health insurance, repatriation benefits and annual leave.

Accumulated surplus — strategic deployment stock activities

131. The General Assembly, in its resolution 56/292 of 27 June 2002, authorized the purchase of strategic deployment stocks. In his report on the concept of strategic deployment stocks and its implementation (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that received them. In order to account for the replenishment of strategic deployment stocks, a separate revolving fund has been established where all such transactions are recorded; the activities of the revolving fund are reported in the financial statements of UNLB.

132. The cumulative surplus at the end of the financial year, which incorporates such items as timing differences between the recording of transfers and the actual replenishment of strategic deployment stocks, is carried over to the next financial year.

Accumulated surplus — restricted

133. In its resolution 57/323 of 18 June 2003, the General Assembly decided to suspend the provisions of financial regulation 5.5 for certain missions in the light of the cash shortages of those missions. The missions with continuing cash shortages and for which the provisions of financial regulation 5.5 have been suspended are UNSMIH, UNTMIH, MIPONUH, MINURCA, the Military Observer Group of MINUGUA, UNOSOM and UNTAC; the accumulated surpluses of these closed missions are therefore presented in the statement of financial position as restricted.

Note 21
Reserves

Peacekeeping Reserve Fund

134. The Peacekeeping Reserve Fund was established as a cash flow mechanism to support the rapid response of peacekeeping operations to meet expenses and capital requirements for the start-up or expansion of peacekeeping operations. During the current financial period, the Peacekeeping Reserve Fund has not provided any new loans (2014/15: none).

135. As at the reporting date, outstanding advances in an amount of $12.8 million were due from MINURCA (2014/15: $12.8 million), which have been outstanding since February 2000 owing to insufficient cash resources in the mission.

136. As at the reporting date, the Peacekeeping Reserve Fund had reserves of $150.0 million (2014/15: $150.0 million) and a cumulative surplus of $2.1 million (2014/15: $1.6 million), representing investment revenue of $1.2 million for the period ended 30 June 2016 and $0.9 million for the period ended 30 June 2015. The latter amount will be applied to meet the requirements of the support account for peacekeeping operations for 2016/17. The surplus of $1.2 million related to the period ended 30 June 2016 is available for future utilization as directed by the General Assembly.

Note 22
Revenue from non-exchange transactions and other revenues

Assessed contributions

137. Assessed contributions of $8,282.1 million (2014/15: $8,503.6 million) have been recorded in accordance with the Financial Regulations and Rules, the relevant resolutions of the General Assembly and the policies of the United Nations, on the basis of the peacekeeping scale of assessment.

Voluntary contributions

138. Revenue from in-kind contributions represents confirmed contributions of goods, landing rights fees, airport fees, vehicle registration fees and permission to use facilities and premises. On the basis of fair rental value, a total of $340.4 million (2014/15: $145.5 million) of facilities and premises were provided during the reporting period. Landing fees and other fees at airports, totalling $23.6 million (2014/15: $17.2 million), vehicle registration fees of $1.9 million (2014/15: $1.9 million), and a variety of goods were provided and fees waived amounting to $2.4 million (2014/15: $4.3 million), bringing total in-kind contributions to $368.3 million (2014/15: $168.9 million).

(Thousands of United States dollars)

	2015/16	*2014/15*
Voluntary monetary contributions (Member States)	24 138	26 449
Voluntary in-kind contributions (Member States)	368 269	168 936
Total voluntary contributions	**392 407**	**195 385**

139. In-kind contributions of services are not recognized and are therefore not included in the in-kind contributions revenue above. These comprise various fees for services that are usually charged. Such waived fees included airport passenger taxes of $0.9 million (2014/15: $2.6 million), radio frequency fees of $2.1 million (2014/15: $2.7 million) and other services amounting to $3.8 million (2014/15: $4.7 million).

Other revenue

140. Revenue from non-exchange transactions also includes revenue from services rendered, foreign exchange gain and other miscellaneous income and allocations amounting to $28.5 million (2014/15: $15.7 million).

Note 23
Financial instruments and the cash pool

Cash pool

141. In addition to directly held cash and cash equivalents and investments, the peacekeeping operations participate in the United Nations Treasury main pool. The main pool comprises operational bank account balances in a number of currencies

and investments in United States dollars. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale and by virtue of the ability to spread yield curve exposures across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term investments and long-term investments) and income is based on each participating entity's principal balance.

142. As at 30 June 2016, the main pool held total assets of $7,220.8 million (2014/15: $7,469.7 million); of this amount $2,163.4 million (2014/15: $2,413.6 million) was due to the peacekeeping operations. Their share of net income from the main pool was $23.1 million (2014/15: $20.9 million).

Financial instruments

(Thousands of United States dollars)

	Note	*30 June 2016*	*30 June 2015**
Financial assets			
Fair value through surplus or deficit			
Short-term investments — share of main pool		1 546 697	1 054 722
Long-term investments — share of main pool		433 275	786 089
Total assets at fair value through surplus or deficit		**1 979 972**	**1 840 811**
Loans and receivables			
Cash and cash equivalents — share of main pool	7	183 446	572 746
Cash and cash equivalents — other	7	1 090	3 645
Subtotal cash and cash equivalents		**184 536**	**576 391**
Assessed contributions	8	1 241 780	1 124 300
Voluntary contributions	9	–	2 709
Other receivables	10	34 909	37 107
Other assets (excludes deferred charges)	12	11 711	7 259
Total loans and receivables		**1 472 936**	**1 747 766**
Total carrying amount of financial assets		**3 452 908**	**3 588 577**
Total financial assets relating to assets held in the main pool		**2 163 418**	**2 413 557**
Financial liabilities at amortized cost			
Accounts payable — Member States	15	602 353	836 374
Accounts payable — other	15	1 474 139	1 354 389
Other liabilities (excludes deferred revenue)	19	49 192	126 478
Total liabilities at amortized cost		**2 125 684**	**2 317 241**

	Note	*30 June 2016*	*30 June 2015[a]*
Summary of net income from financial assets			
Net main cash pool income		23 056	20 920
Other investment revenue		242	3 014
Total investment revenue		**23 298**	**23 934**

[a] Short-term investments — share of main pool has been restated to include $3.7 million relating to accrued cash pool investment income which was previously reported as other assets. Other assets (excluding deferred charges) and other liabilities (excluding deferred income) have been restated to conform to the current presentation (see note 12 and note 19, respectively).

Financial risk management: overview

143. The peacekeeping operations have exposure to the following financial risks:

(a) Credit risk;

(b) Liquidity risk;

(c) Market risk.

144. This note presents information on the exposure of the peacekeeping operations to these risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Financial risk management: risk management framework

145. The risk management practices of the United Nations peacekeeping operations are in accordance with the Financial Regulations and Rules and the United Nations Investment Management Guidelines. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

146. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market-rate-of-return component of the objectives.

147. An Investment Committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates to them. Other than those disclosed, the peacekeeping operations have not identified any further risk concentrations arising from financial instruments.

148. The peacekeeping operations define the capital that they manage as the aggregate of their net assets, which comprises accumulated fund balances and reserves. The objectives are to safeguard the ability of the operations to continue as a going concern and to fulfil their mission and objectives. The peacekeeping operations manage their capital in the light of global economic conditions, the risk characteristics of the underlying assets and their current and future working capital requirements.

Financial risk management: credit risk

149. Credit risk is the risk of financial loss resulting from a counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments, and deposits and forward currency contracts with financial institutions, as well as credit exposure to outstanding receivables. The carrying value of financial assets is the maximum exposure to credit risk.

Credit risk: management

150. The Investment Management Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible main pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The main pool does not invest in derivative instruments such as asset-backed or mortgage-backed securities or in equity products.

151. The investment management function is centralized at United Nations Headquarters, and under normal circumstances missions are not permitted to engage in investing. A mission may receive exceptional approval when conditions warrant investing locally under specified parameters that comply with the Guidelines.

Credit risk: contributions receivable and other receivables

152. A large portion of contributions receivable is due from Member States and United Nations entities that do not have significant credit risk. As at the reporting date, the peacekeeping operations did not hold any collateral as security for receivables (2014/15: none).

Credit risk: allowance for doubtful receivables

153. The peacekeeping operations evaluate the allowance for doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the peacekeeping operation will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management approves write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received. The movement in the allowances account during the year is shown below.

(Thousands of United States dollars)

	2015/16	*2014/15*
Allowance for doubtful receivables as at 1 July	**750 187**	**744 662**
Amounts written off	(561)	(5 551)
Adjustments during the year	(15 210)	11 076
Allowance for doubtful receivables as at 30 June	**734 416**	**750 187**

154. On the basis of their monitoring of credit risk, the peacekeeping operations believe that, except as indicated, no impairment allowance is necessary in respect of receivables.

Credit risk: assessed contributions

155. The ageing and associated allowance of assessed contributions receivable are shown below.

Ageing of assessed contributions receivable

(Thousands of United States dollars)

	2015/16		*2014/15*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Less than one year	966 991	–	951 344	–
One to two years	161 310	–	117 452	–
More than two years	707 808	594 329	665 133	609 629
Total	**1 836 109**	**594 329**	**1 733 929**	**609 629**

Credit risk: voluntary contributions and other receivables

156. The ageing and associated allowance of receivables other than assessed contributions are shown below.

Ageing of voluntary contributions and other receivables

(Thousands of United States dollars)

	2015/16		*2014/15*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Neither past due nor impaired	6 457	–	–	–
Less than one year	23 839	–	35 375	–
One to two years	4 733	1 186	4 472	1 121
Two to three years	2 666	1 600	2 722	1 632
More than three years	137 301	137 301	137 805	137 805
Total	**174 996**	**140 087**	**180 374**	**140 558**

Credit risk: cash and cash equivalents

157. The peacekeeping operations had cash and cash equivalents of $184.5 million at the reporting date (2014/15: $576.4 million), which is the maximum credit exposure on these assets.

Credit risk: cash pool investments

158. The Investment Management Guidelines require that investments not be made in issuers whose credit ratings are below specifications, and also provide for

maximum concentrations with given issuers. For the current and prior years, these requirements were met at the time the investments were made. The credit ratings used for the main pool are those determined by major credit-rating agencies; Standard & Poor's Financial Services, Moody's Investors Service and Fitch Ratings are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits.

Main-pool investment credit ratings as at year-end

Investment	*Ratings as at 30 June 2016*	*Ratings as at 30 June 2015*
Bonds (long-term ratings)	S&P: 41.4% AAA, 41.3% AA+/AA/AA- and 17.3% not rated by S&P; Fitch: 48.2% AAA, 41.4% AA+/AA/AA- and 10.4% not rated by Fitch; Moody's 41.4% Aaa and 58.6% Aa1/Aa2/Aa3	S&P: 33.7% AAA, 52.6% AA+/AA/AA-, 5.6% A+ and 8.1% not rated by S&P; Fitch: 49.2% AAA, 28.9% AA+/AA/AA- and 21.9% not rated by Fitch; Moody's 67.2% Aaa and 32.8% Aa1/Aa2/Aa3
Commercial papers (short-term ratings)	S&P: 77.0% A-1+ and 23.0% A-1; Fitch: 53.9% F1+, 23.0% F1 and 23.1% not rated by Fitch; Moody's: 100% P-1	S&P: 72.8% A-1+ and 27.2% A-1; Fitch: 100% F1+; Moody's: 100% P-1
Reverse repurchase agreement (short-term ratings)	S&P: 100.0% A-1+; Fitch: 100.0% F1+; Moody's: 100% P-1	Not applicable as at 30 June 2015
Term deposits (Fitch viability ratings)	Fitch: 39.1% aa/aa- and 60.9 a+/a	Fitch: 63.0% aa- and 37.0% a+/a/a-

159. The United Nations Treasury actively monitors credit ratings and, given that it has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Financial risk management: liquidity risk

160. Liquidity risk is the risk that the peacekeeping operations may not have adequate funds to meet their obligations as they fall due. The approach to managing liquidity is to ensure that an operation will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation of United Nations peacekeeping.

161. The Financial Regulations and Rules require that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to assessed contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to amounts receivable.

162. The peacekeeping operations perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure there is sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The peacekeeping operations maintain a large portion of their investments in cash equivalents and short-term investments sufficient to cover their commitments as and when they fall due.

Liquidity risk: cash pool investments

163. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. Main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

164. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the cash and cash equivalents, receivables and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. At the reporting date, the peacekeeping operations had not pledged any collateral for any liabilities or contingent liabilities (2014/15: none), and during the year no accounts payable or other liabilities were forgiven by third parties (2014/15: none). Maturities for financial liabilities based on the earliest date at which the peacekeeping operations can be required to settle each financial liability are shown below.

Maturities for financial liabilities, undiscounted

(Thousands of United States dollars)

	<3 months	*3 to 12 months*	*>1 year*	*Total*
As at 30 June 2016				
Accounts payable and accrued payables	2 076 492	–	–	2 076 492
Other liabilities (excluding deferred revenue)	49 192	–	–	49 192
Total as at 30 June 2016	**2 125 684**	–	–	**2 125 684**
As at 30 June 2015[a]				
Accounts payable and accrued payables	2 190 763	–	–	2 190 763
Other liabilities (excluding deferred revenue)	126 478	–	–	126 478
Total as at 30 June 2015	**2 317 241**	–	–	**2 317 241**

[a] Restated to conform to current presentation (see note 15).

Financial risk management: market risk

165. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the revenue of the peacekeeping operations or the value of their financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the fiscal position.

Market risk: currency risk

166. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The peacekeeping operations have transactions, assets and liabilities in currencies other than in their functional currency and are exposed to currency risk arising from fluctuations in currency exchange rates. Management policies and the Investment Management Guidelines require the peacekeeping operations to manage their currency risk exposure.

167. Non-United States dollar holdings have the primary objective of supporting local operating activities in mission countries. The peacekeeping operations maintain a minimum level of assets in local currencies and, whenever possible, maintain bank accounts in United States dollars. Some cash is held in currencies that are either legally restricted or not readily convertible to United States dollars and used exclusively for local expenses in the respective countries.

168. The peacekeeping operations mitigate currency risk exposure by structuring contributions from donors in foreign currency to correspond to the foreign currency needs for operational purposes. Given that the main pool is predominantly denominated in United States dollars, it has low currency risk, and, in conjunction with the low risk of other financial instruments, the peacekeeping operations consider currency risk to be low (2014/15: currency risk considered to be low).

Market risk: interest rate risk

169. Interest rate risk is the risk of variability in fair values or future cash flows of financial instruments owing to changes in interest rates. In general, as an interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, expressed in years. The longer the duration, the greater the interest rate risk.

170. Fixed-rate cash, cash equivalents and investments are the interest-bearing financial instruments of the peacekeeping operations. The main pool comprises their main exposure to interest rate risk. As at the reporting date, the main pool was invested primarily in securities with shorter terms to maturity, with the maximum being less than 3 years (2014/15: less than 5 years). The average duration of the main pool was 0.60 years (2014/15: 0.89 years), which is considered to be an indicator of low risk.

Market risk: cash pool interest rate risk sensitivity analysis

171. The cash pool interest rate risk sensitivity analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall

yield curve shift in response to changes in interest rates. As these investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase or decrease of the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). These basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis

(Millions of United States dollars)

	Shift in yield curve (basis points)								
	-200	*-150*	*-100*	*-50*	*0*	*50*	*100*	*150*	*200*
Increase/(decrease) in fair value									
Main pool total: 30 June 2016	85.5	64.2	42.8	21.4	–	(21.4)	(42.8)	(64.1)	(85.5)
Main pool total: 30 June 2015	127.7	95.8	63.8	31.9	–	(31.9)	(63.8)	(95.7)	(127.6)

Market risk: other

172. The main pool is not exposed to significant other market price risk, as it does not sell short or borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value

173. All investments are reported at fair value through surplus and deficit. For cash and cash equivalents, receivables and accounts payable, carrying value is a fair approximation of fair value.

Fair value hierarchy

174. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

175. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third-parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the main pool is the current bid price.

176. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximize the use of observable market data. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

177. The following fair-value hierarchy presents the main pool assets that are measured at fair value at the reporting date. There were no level 3 financial assets or any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy

(Thousands of United States dollars)

	30 June 2016			*30 June 2015*		
	Level 1	*Level 2*	*Total*	*Level 1*	*Level 2*	*Total*
Main pool financial assets at fair value through surplus or deficit						
Bonds — Corporate	352 862	–	352 862	1 970 857	–	1 970 857
Bonds — Non-United States agencies	2 017 079	–	2 017 079	1 970 857	–	1 970 857
Bonds — Non-United States sovereigns	125 924	–	125 924	646 420	–	646 420
Bonds — Supranationals	216 187	–	216 187	290 390	–	290 390
Bonds — United States Treasury	–	–	–	848 553	–	848 553
Discounted instruments	649 182	–	649 182	549 409	–	549 409
Reverse repurchase agreement — United States Government	–	100 700	100 700	–	–	–
Term/certificates of deposit	–	3 662 853	3 662 853	–	2 753 662	2 753 662
Total	**3 361 234**	**3 763 553**	**7 124 787**	**4 305 629**	**2 753 662**	**7 059 291**

Note 24
Expenses

Employee salaries, allowances and benefits

178. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. The allowances and benefits include other staff entitlements, including pension and insurance subsidies, staff assignment, repatriation, hardship and other allowances.

(Thousands of United States dollars)

	2015/16	*2014/15*[a]
Salary, wages and other entitlements	1 523 418	1 578 078
Pension and insurance benefits	340 292	348 187
Repatriation benefits	17 002	27 721
Leave benefits	11 914	12 925
Total employee salaries, allowances and benefits	**1 892 626**	**1 966 911**

[a] Restated to conform to current presentation (see para. 186 below).

Contingent contracted services

179. Expenses for contingent contracted services are comprised of reimbursements to troop and formed police unit contributing countries for personnel, equipment and self-sustainment services. The reimbursements are made at predetermined standard rates based on person/month and the generic types of equipment.

(Thousands of United States dollars)

	2015/16	*2014/15*
Contingent troop and police costs	1 622 870	1 596 549
Contingent-owned equipment and self-sustainment	975 209	1 028 614
Contingent emplacement and rotation	113 696	179 534
Total contingent contracted services	**2 711 775**	**2 804 697**

Non-employee compensation and allowances

180. Non-employee compensation and allowances consists of United Nations volunteers living allowances and benefits, military observer and United Nations police mission subsistence and other compensation and allowances and consultant and contractors' fees.

(Thousands of United States dollars)

	2015/16	*2014/15*
United Nations volunteers	94 922	92 355
Military observers	78 828	88 745
United Nations police	221 450	214 902
Consultants and other contractors	84 938	76 760
Other	19 274	9 743
Total non-employee compensation and allowances	**499 412**	**482 505**

Grants and other transfers

181. Grants and other transfers include outright grants to implementing agencies, partners and other entities for quick-impact projects. As at 30 June 2016, $23.1 million (2015: $24.3 million) was reported in the statement of financial performance as grant expense.

Supplies and consumables

182. Supplies and consumables include acquisition of fuel, rations, office supplies, spare parts, medical supplies and general maintenance supplies.

(Thousands of United States dollars)

	2015/16	*2014/15*
Fuel and lubricants	398 620	463 410
Rations	398 448	372 485
Spare parts and consumables	119 866	135 628
Total supplies and consumables	**916 934**	**971 523**

Travel

183. Travel expenses relate to travelling costs such as transportation, allowances and other related costs for staff, consultants and non-staff. Travel expenses for the year 2014/2015 have been reclassified from other operating expenses (see para. 184 below).

(Thousands of United States dollars)

	2015/16	*2014/15*
Staff travel	53 736	62 491
Representative travel	957	1 116
Total travel	**54 693**	**63 607**

Other operating expenses

184. Other operating expenses include maintenance, utilities, contracted services, training, security services, shared services, rent, insurance, allowance for doubtful receivables and expenses related to mine action. Travel expenses for 2014/2015 have been separated into their own category (see para. 183 above). In addition, net transfer out of property and equipment for 2014/2015 ($11.6 million) has been reclassified from other expenses to other operating expenses (see para. 185 below).

(Thousands of United States dollars)

	2015/16	*2014/15[a]*
Air transport	589 602	576 996
Ground transport	4 705	4 998
Naval transport	27 270	44 571
Communications and information technology	143 988	161 602
Facilities	143 841	125 292
Mine action services	186 118	172 565
Other contracted services	215 955	265 299
Acquisitions of goods	138 318	19 482
Acquisitions of intangible items	14 844	9 657
Rent — offices, premises and equipment	64 702	67 334
Maintenance and repair	52 645	40 376
Other	81 850	78 193
Total other operating expenses	**1 663 838**	**1 566 365**

[a] Restated to conform to current presentation.

Other expenses

185. Other expenses include contributions in kind, hospitality and official functions, ex gratia payments and compensation claims. Net transfer out of property and equipment for 2014/2015 ($11.6 million) has been reclassified to other operating expenses (see para. 184 above).

(Thousands of United States dollars)

	2015/16	*2014/15[a]*
Contributions in kind	365 998	164 663
Ex gratia payments and compensation claims	531	1 444
Other	359	–
Total other expenses	**366 888**	**166 107**

[a] Restated to conform to current presentation.

Self-insurance claims and expenses

186. Self-insurance claims and expenses in the amount of $2.3 million (2014/15: $2.2 million) relate to appendix D payments, which were previously included in employee salaries, allowances and benefits.

Note 25
Credits to Member States

187. Total provisions made for credits to Member States are $526.4 million (2014/15: $470.4 million), comprised of unencumbered appropriation of $278.7 million (2014/15: $275.2 million), investment revenue of $18.4 million (2014/15: $19.8 million), other revenue and prior-period adjustment of $14.6 million (2014/15: $20.4 million) and the cancellation of prior-period commitments amounting to $214.7 million (2014/15: $155.1 million). Unused credits to Member States from prior years reversed this year amount to $58.6 million (2014/15: 8.0 million). In addition, cash balances of $45.9 million, representing three closed missions (MINURCAT: $35.1 million; UNMIT: $9.1 million; and UNSMIS: $1.8 million) were credited to Member States in 2015/16 (2014/15: $15.0 million from UNMIS was credited to Member States), bringing the total expense for credits to Member States to $513.7 million (2014/15: $477.4 million).

Note 26
Related parties

Key management personnel

188. Key management personnel are those with the ability to exercise significant influence over the financial and operating decisions of the peacekeeping operations. The key management personnel group for peacekeeping operations comprises the Secretary-General, the Deputy Secretary-General and selected officials at the Under-Secretary-General, Assistant Secretary-General and Director levels within the Department of Peacekeeping Operations, the Department of Field Support and the Department of Management. These persons have the relevant authority and responsibility for planning, directing and controlling the activities of the peacekeeping operations.

189. The aggregate remuneration paid to 14 (full-time equivalent) key management personnel (2014/15: 12) includes gross salaries, post adjustment and other entitlements such as grants, subsidies and employer pension and health insurance contributions.

(Thousands of United States dollars)

	2015/16	*2014/15*
Key management personnel		
Salary and post adjustment	4 074	3 662
Other monetary entitlements	1 122	866
Non-monetary benefits	1 200	1 200
Total key management personnel remuneration	**6 396**	**5 728**

190. A residence is provided to the Secretary-General free of charge and the annual rental fair value equivalent of this property is $1.2 million (2014/15: $1.2 million). Other non-monetary and indirect benefits paid to key management personnel were not material (2014/15: not material). While no close family members of key

management personnel were employed by the peacekeeping operations, $0.293 million (2014/15: $0.072 million) was transacted by the United Nations Secretariat reporting entities with close family members in 2015/16.

191. Advances made to key management personnel are those made against entitlements in accordance with the Staff Rules and Staff Regulations; such advances against entitlements are widely available to all staff.

Trust fund activities related to peacekeeping operations

192. The following peacekeeping-related funds, which augment the activities of the peacekeeping operations, are structured as trust funds and, accordingly, appear in the financial statements of the United Nations. The reserves and fund balances of these related trust funds as at the year-end are shown below.

Activities related to peacekeeping operations funded by trust funds: reserves and fund balances

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*
Trust fund in Support of the Delimitation and Demarcation of the Ethiopia/Eritrea Border	1 440	1 428
Trust Fund for Somalia — Unified Command	398	394
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	8	8
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	313	310
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	3 803	3 920
Trust Fund in Support of the Department of Peacekeeping Operations	66 644	54 552
Trust Fund for the Rapidly Deployable Mission Headquarters	—	2
Trust Fund to Support the Peace Process in the Democratic Republic of the Congo	2 186	2 309
Trust Fund to Support the United Nations Interim Administration in Kosovo	1 069	1 059
Trust Fund to Support the Ituri Pacification Commission	7	7
Trust Fund in Support of the Peace Process in the Sudan	700	694
Trust Fund for the African Union-United Nations Joint Mediation Support Team for Darfur	6 637	6 246
Trust Fund for the Support of the Activities of the United Nations Mission in the Central African Republic and Chad	1 706	1 691
Trust Fund to Support Lasting Peace in Darfur	760	3 067
Trust Fund in Support of the African Union Mission to Somalia	18 754	16 000
Trust Fund in Support of the African-led International Support Mission in Mali	22 826	30 992
Trust Fund in Support of Peace and Security in Mali	22 557	7 729
Trust Fund for the United Nations Operation in Côte d'Ivoire	168	312
Trust Fund in Support of Peace and Security in Libya	45	150
Trust Fund in Support of the Political Transition in Haiti	982	1 132

	30 June 2016	*30 June 2015*
Trust Fund in Support of the Elimination of Syrian Chemical Weapons	2 472	3 490
Trust Fund in Support of the African-led International Support Mission in the Central African Republic	3 243	3 337
Total	**156 718**	**138 829**

Peacekeeping-related operations funded by the regular budget

193. Shown below are peacekeeping-related operations that are funded by the regular budget and appear in the financial statements of the United Nations.

Peacekeeping-related operations funded by the regular budget

(Thousands of United States dollars)

	Appropriation[a]	*Expenditure on a budget basis*	*Unencumbered balance*
Year ended 30 June 2016			
Department of Peacekeeping Operations			
Executive direction and management	1 305	387	918
Programme of work	8 610	1 923	6 687
Programme support	980	109	871
Department of Field Support			
Executive direction and management	2 123	600	1 523
Programme of work	6 330	1 387	4 943
Peacekeeping missions funded by the regular budget			
UNTSO	68 949	17 384	51 565
UNMOGIP	21 327	5 227	16 100
Total	**109 624**	**27 017**	**82 607**
Year ended 30 June 2015			
Department of Peacekeeping Operations			
Executive direction and management	1 310	1 083	227
Programme of work	8 635	6 078	2 557
Programme support	1 091	485	606
Department of Field Support			
Executive direction and management	2 130	1 701	429
Programme of work	6 353	4 577	1 776
Peacekeeping missions funded by the regular budget			
UNTSO	74 245	46 352	27 893
UNMOGIP	19 192	13 409	5 783
Total	**112 956**	**73 685**	**39 271**

[a] For the biennium 2016-2017.

Related entity transactions

194. In the ordinary course of business, in order to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and then subsequently settled. No interest is levied on inter-entity balances.

United Nations peacekeeping operations: balances reflected in the Tax Equalization Fund

195. The financial statements of the peacekeeping operations report employee benefits expenses on a net-of-tax basis. The tax liabilities relating to peacekeeping operations are reported separately as part of the Tax Equalization Fund in the financial statements of the United Nations, which has a 31 December financial reporting date.

196. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) of 15 December 1955 to equalize the net pay of all staff members whatever their national tax obligations. The Fund operationally reports as income, staff assessment with respect to staff members financed under the regular budget, assessed peacekeeping operations and the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

197. The Fund includes as expenditure the credits against the regular budget, peacekeeping, the International Residual Mechanism and the international tribunals with respect to the assessments of Member States that do not levy taxes on the United Nations income of their nationals. Member States that do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes paid on their United Nations income. Such reimbursements for taxes paid are partially reported as expenditure by the Tax Equalization Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds. Since the Organization acts as an agent in this arrangement, net of the related revenue and expenses is reported as a payable in these financial statements.

198. The cumulative surplus in the Tax Equalization Fund as at 31 December 2015 was $96.0 million (2014: $96.2 million), consisting of $30.4 million payable to the United States of America (2014: $27.6 million) and $37.2 million payable to other Member States (2014: $36.8 million). The amount payable to the United States of America at year-end 2015 included approximately $13.9 million (2014: $12.4 million) relating to the peacekeeping operations. In addition, the Tax Equalization Fund had an estimated tax liability of $28.4 million relating to the 2015 and prior tax years (2014: $31.8 million), of which approximately $17.4 million was disbursed in January 2016 and approximately $11.0 million was expected to be settled in April 2016.

Note 27
Commitments

Lease commitments

199. The peacekeeping operations enter into operating leases for the use of land, permanent and temporary buildings and equipment. The total lease payments recognized in expenditure for the year was $48.2 million (2014/15: $44.3 million). Future minimum lease payments under non-cancellable arrangements are shown below.

(Thousands of United States dollars)

	30 June 2016	*30 June 2015*
Less than 1 year	17 549	16 092
1 to 5 years	46 514	46 039
Over 5 years	17 339	9 015
Total minimum lease commitments	**81 402**	**71 146**

Contractual commitments

200. As at the reporting date, commitments for goods and services contracted by but not delivered amounted to $317.9 million (2014/15: $467.6 million).

Note 28
Contingent liabilities and contingent assets

Contingent liabilities

201. Owing to the uncertainty of the outcome of some claims, the occurrence, amount and/or timing of outflow cannot be reliably estimated and no provision is recognized. Contingent liabilities are disclosed for pending claims when the probability of outcome cannot be determined and the amount of loss cannot be reasonably estimated. As at 30 June 2016, the estimated value of contingent liabilities relating to commercial claims and other claims of a private-law nature totalled $33.7 million (2014/15: $38.2 million), including two arbitration proceedings instituted by vendors against certain peacekeeping operations.

202. Similarly, no provision for loss is recorded for administrative law claims where the outcome is determined to be unpredictable and the potential outflow uncertain. These cases concern, for the most part, appointment-related matters, benefits and entitlements and separation from service. The estimated outflow for such cases, as at 30 June 2016, was $2.3 million (2014/15: $2.9 million), including an amount of $0.5 million carried over from the previous reporting period and an additional amount of $1.8 million for cases filed during the current financial year.

Contingent assets

203. In accordance with IPSAS 19, the United Nations discloses contingent assets when an event gives rise to a probable inflow of economic benefits or service

potential to the Organization and there is sufficient information to assess the probability of that inflow. As at 30 June 2016, there were no material contingent assets likely to result in a significant economic inflow to the organization (2014/15: none).

Note 29
Events after the reporting date

204. There were no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Annex I

Financial reporting by mission

Statement of financial position as at 30 June 2016: active missions

(Thousands of United States dollars)

	UNFYCYP	*UNDOF*	*UNIFIL*	*MINURSO*	*UNMIK*	*MONUSCO*	*UNMIL*	*UNOCI*
Assets								
Cash and cash equivalents	1 430	1 135	10 746	728	740	22 785	5 012	6 794
Investments	15 158	11 987	114 863	6 495	7 761	242 994	52 667	71 984
Assessments receivable	14 639	16 821	89 773	42 246	28 779	224 142	61 157	68 039
Other receivables	259	233	2 146	534	131	5 971	1 486	800
Inventories	1 500	3 506	13 416	3 664	1 294	36 694	18 401	15 073
Property, plant and equipment	3 686	30 773	104 956	11 249	2 546	96 041	24 599	34 328
Other assets	159	21	1 581	212	673	1 370	74	1 414
Total assets	**36 831**	**64 476**	**337 481**	**65 128**	**41 924**	**629 997**	**163 396**	**198 432**
Liabilities								
Accounts payable	12 439	5 904	114 080	5 563	5 857	341 108	64 051	76 741
Total employee benefits	192	273	1 531	2 974	721	7 069	3 893	2 608
Other liabilities and provisions	3 897	2 646	36 307	15 433	30 215	86 693	50 219	69 184
Total liabilities	**16 528**	**8 823**	**151 918**	**23 970**	**36 793**	**434 870**	**118 163**	**148 533**
Net of total assets and total liabilities	**20 303**	**55 654**	**185 562**	**41 158**	**5 132**	**195 129**	**45 233**	**49 899**
Net assets								
Accumulated surplus/(deficit)	20 303	55 654	185 562	41 158	5 132	195 129	45 233	49 899
Reserves	–	–	–	–	–	–	–	–
Total net assets	**20 303**	**55 654**	**185 562**	**41 158**	**5 132**	**195 129**	**45 233**	**49 899**

Statement of financial performance for the year ended 30 June 2016: active missions

(Thousands of United States dollars)

	UNFYCYP	*UNDOF*	*UNIFIL*	*MINURSO*	*UNMIK*	*MONUSCO*	*UNMIL*	*UNOCI*
Assessed contributions	31 028	54 266	531 413	53 649	42 013	1 396 617	361 722	422 735
Voluntary contributions/other transfers and allocations	25 122	542	5 199	5 900	82	18 362	1 686	33 176
Investment revenue	151	185	1 652	48	53	2 062	674	993
Other revenues	11	379	490	222	205	7 051	2 101	1 325
Total revenues	**56 312**	**55 372**	**538 754**	**59 819**	**42 353**	**1 424 092**	**366 183**	**458 229**
Employee salaries, allowances and benefits	12 743	14 061	90 986	19 778	27 244	285 892	91 242	70 938
Contingent contracted services	18 564	19 029	290 673	621	2	462 075	101 085	150 722
Other expenses	22 359	20 462	123 780	40 182	13 117	590 425	131 540	197 447
Credits to Member States	3 864	2 626	36 037	1 911	1 133	20 428	47 704	65 224
Total expenses	**57 530**	**56 178**	**541 476**	**62 492**	**41 496**	**1 358 820**	**371 571**	**484 331**
Surplus/(deficit) for the year	**(1 218)**	**(806)**	**(2 722)**	**(2 673)**	**857**	**65 272**	**(5 388)**	**(26 102)**

Statement of financial position as at 30 June 2016: active missions (concluded)

(Thousands of United States dollars)

	MINUSTAH	*UNAMID*	*UNSOS*	*UNISFA*	*UNMISS*	*MINUSMA*	*MINUSCA*	*Total*
Assets								
Cash and cash equivalents	3 942	23 984	4 820	4 376	13 140	23 927	19 637	143 196
Investments	41 343	256 900	51 106	46 184	138 901	255 943	210 946	1 525 232
Assessments receivable	91 659	76 898	106 287	37 299	178 760	116 335	88 944	1 241 778
Other receivables	2 320	1 505	1 883	615	6 048	5 422	4 552	33 905
Inventories	24 216	60 554	44 327	10 998	53 630	14 401	23 995	325 669
Property, plant and equipment	48 516	366 554	168 374	66 391	189 058	135 873	113 355	1 396 299
Other assets	1 854	1 048	1 092	752	1 458	1 877	1 251	14 836
Total assets	**213 850**	**787 443**	**377 889**	**166 615**	**580 995**	**553 778**	**462 680**	**4 680 915**
Liabilities								
Accounts payable	86 028	252 604	123 741	31 163	234 682	273 820	207 980	1 835 761
Total employee benefits	3 559	7 781	1 351	801	8 926	3 700	4 424	49 803
Other liabilities and provisions	42 945	93 401	24 066	34 327	71 390	63 840	79 526	704 089
Total liabilities	**132 532**	**353 786**	**149 158**	**66 291**	**314 998**	**341 360**	**291 930**	**2 589 653**
Net of total assets and total liabilities	**81 319**	**433 657**	**228 732**	**100 324**	**265 996**	**212 416**	**170 748**	**2 091 262**
Net assets								
Accumulated surplus/(deficit)	81 319	433 657	228 732	100 324	265 996	212 416	170 748	2 091 262
Reserves	–	–	–	–	–	–	–	–
Total net assets	**81 319**	**433 657**	**228 732**	**100 324**	**265 996**	**212 416**	**170 748**	**2 091 262**

Statement of financial performance for the year ended 30 June 2016: active missions (concluded)

(Thousands of United States dollars)

	MINUSTAH	*UNAMID*	*UNSOS*	*UNISFA*	*UNMISS*	*MINUSMA*	*MINUSCA*	*Total*
Assessed contributions	399 185	1 156 727	538 846	281 537	1 139 520	1 018 517	854 367	8 282 142
Voluntary contributions/other transfers and allocations	3 637	3 134	159 877	1 175	47 373	23 086	58 825	387 176
Investment revenue	757	2 296	1 059	791	2 231	3 172	2 323	18 447
Other revenues	1 449	3 253	3 513	177	672	1 705	1 817	24 370
Total revenues	**405 028**	**1 165 410**	**703 295**	**283 680**	**1 189 796**	**1 046 480**	**917 332**	**8 712 135**
Employee salaries, allowances and benefits	89 218	238 282	56 899	24 986	215 797	131 232	141 263	1 510 561
Contingent contracted services	111 336	434 509	45 273	108 727	330 479	311 790	326 783	2 711 668
Other expenses	192 168	452 717	627 893	114 459	590 751	561 253	359 703	4 038 256
Credits to Member States	42 222	84 471	13 493	32 228	67 700	1 537	47 226	467 804
Total expenses	**434 944**	**1 209 979**	**743 558**	**280 400**	**1 204 727**	**1 005 812**	**874 975**	**8 728 289**
Surplus/(deficit) for the year	**(29 916)**	**(44 569)**	**(40 263)**	**3 280**	**(14 931)**	**40 668**	**42 357**	**(16 154)**

Statement of financial position as at 30 June 2016: support activities

(Thousands of United States dollars)

	Peacekeeping Reserve Fund	*Support account*	*UNLB*	*UNLB — strategic deployment stocks*	*Employee benefits funds*	*Peacekeeping cost recovery fund*	*Total*
Assets							
Cash and cash equivalents	11 808	526	1 157	8 177	1 955	321	23 944
Investments	127 444	14 434	12 266	88 258	21 100	3 462	266 965
Assessments receivable	–	–	–	–	–	–	–
Other receivables	12 820	340	417	–	–	215	13 792
Inventories	–	127	15 437	18 905	–	–	34 469
Property, plant and equipment	–	1 275	45 921	42 120	–	–	89 315
Other assets	–	1 827	262	–	–	1	2 089
Total assets	**152 072**	**18 529**	**75 459**	**157 461**	**23 055**	**3 999**	**430 575**
Liabilities							
Accounts payable	–	9 798	3 289	4 629	13	1 381	19 110
Total employee benefits	–	7 396	456	–	1 686 527	1	1 694 380
Other liabilities and provisions	–	–	407	–	–	–	407
Total liabilities	**–**	**17 195**	**4 152**	**4 629**	**1 686 540**	**1 382**	**1 713 897**
Net of total assets and total liabilities	**152 072**	**1 335**	**71 307**	**152 832**	**(1 663 485)**	**2 617**	**(1 283 322)**
Net assets							
Accumulated surplus/(deficit)	2 072	1 335	71 307	152 832	(1 663 485)	2 617	(1 433 322)
Reserves	150 000						150 000
Total net assets	**152 072**	**1 335**	**71 307**	**152 832**	**(1 663 485)**	**2 617**	**(1 283 322)**
Assessed contributions	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	324 896	70 533	–	–	–	395 429
Investment revenue	1 161	639	207	792	151	15	2 966
Other revenues	–	203	16 114	23 601	3 441	5 747	49 106
Total revenues	**1 161**	**325 738**	**86 854**	**24 393**	**3 592**	**5 762**	**447 500**
Employee salaries, allowances and benefits	–	235 017	40 319	–	110 097	35	385 468
Contingent contracted services	–	–	5	–	–	–	5
Other expenses	731	96 004	43 823	21 503	2 293	3 110	167 464
Credits to Member States	–	–	–	–	–	–	–
Total expenses	**731**	**331 022**	**84 147**	**21 503**	**112 390**	**3 145**	**552 937**
Surplus/(deficit) for the year	**430**	**(5 284)**	**2 707**	**2 890**	**(108 798)**	**2 617**	**(105 437)**

Statement of financial position as at 30 June 2016: closed missions

(Thousands of United States dollars)

	UNSMIS	*UNMIT*	*UNMIS*	*MINURCAT*	*UNOMIG*	*UNMEE*	*ONUB*	*UNAMSIL/ UNOMSIL*
Assets								
Cash and cash equivalents	191	793	1 788	3 536	94	194	201	133
Investments	2 059	8 563	19 296	38 168	1 014	2 098	2 173	1 431
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	–	–	32	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	15	101	289	496	–	–	–	–
Total assets	**2 265**	**9 458**	**21 404**	**42 200**	**1 108**	**2 292**	**2 374**	**1 563**
Liabilities								
Accounts payable	2 142	8 631	16 512	39 920	197	237	416	100
Total employee benefits	18	16	236	5	–	–	–	–
Other liabilities and provisions	50	138	81	137	449	29	593	4
Total liabilities	**2 210**	**8 786**	**16 830**	**40 062**	**645**	**266**	**1 009**	**104**
Net of total assets and total liabilities	**55**	**672**	**4 574**	**2 138**	**463**	**2 026**	**1 365**	**1 459**
Net assets								
Accumulated surplus/(deficit)	55	672	4 574	2 138	463	2 026	1 365	1 459
Reserves	–	–	–	–	–	–	–	–
Total net assets	**55**	**672**	**4 574**	**2 138**	**463**	**2 026**	**1 365**	**1 459**

Statement of financial performance for the year ended 30 June 2016: closed missions

(Thousands of United States dollars)

	UNSMIS	*UNMIT*	*UNMIS*	*MINURCAT*	*UNOMIG*	*UNMEE*	*ONUB*	*UNAMSIL/ UNOMSIL*
Assessed contributions	–	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–	–
Investment revenue	20	74	219	361	11	20	20	26
Other revenues	–	–	1	–	–	–	–	–
Total revenues	**20**	**74**	**220**	**361**	**11**	**20**	**20**	**26**
Employee salaries, allowances and benefits	15	(13)	–	(2)	–	1	–	–
Contingent contracted services	–	–	–	54	–	–	47	–
Other expenses	91	(1 185)	(2 506)	(2 839)	(2)	(38)	(43)	(392)
Credits to Member States	1 818	9 065	–	35 052	–	–	–	–
Total expenses	**1 924**	**7 867**	**(2 506)**	**32 265**	**(2)**	**(37)**	**4**	**(392)**
Surplus/(deficit) for the year	**(1 904)**	**(7 793)**	**2 726**	**(31 904)**	**13**	**57**	**16**	**418**

Statement of financial position as at 30 June 2016: closed missions (continued)

(Thousands of United States dollars)

	UNMISET/ UNTAET	UNIKOM	UNMIBH	UNMOT	MIPONUH/ UNSMIH/UNTMIH	MINURCA	MONUA/ UNAVEM	UNPREDEP
Assets								
Cash and cash equivalents	365	93	442	10	18	–	1 315	563
Investments	3 938	999	4 766	106	194	1	14 196	6 072
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–
Total assets	**4 302**	**1 091**	**5 207**	**116**	**212**	**1**	**15 511**	**6 635**
Liabilities								
Accounts payable	1 852	962	4 431	6	114	7 480	5 241	6 075
Total employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	3	–	–	–	7 366	16 337	–	–
Total liabilities	**1 854**	**962**	**4 431**	**6**	**7 481**	**23 817**	**5 241**	**6 075**
Net of total assets and total liabilities	**2 448**	**129**	**776**	**110**	**(7 269)**	**(23 817)**	**10 270**	**560**
Net assets								
Accumulated surplus/(deficit)	2 448	129	776	110	(7 269)	(23 817)	10 270	560
Reserves	–	–	–	–	–	–	–	–
Total net assets	**2 448**	**129**	**776**	**110**	**(7 269)**	**(23 817)**	**10 270**	**560**

Statement of financial performance for the year ended 30 June 2016: closed missions (continued)

(Thousands of United States dollars)

	UNMISET/ UNTAET	UNIKOM	UNMIBH	UNMOT	MIPONUH/ UNSMIH/UNTMIH	MINURCA	MONUA/ UNAVEM	UNPREDEP
Assessed contributions	–	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–	–
Investment revenue	34	9	43	1	2	–	129	55
Other revenues	–	–	–	–	–	–	–	–
Total revenues	**34**	**9**	**43**	**1**	**2**	**–**	**129**	**55**
Employee salaries, allowances and benefits	–	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–	–
Other expenses	(379)	–	–	–	–	–	–	–
Credits to Member States	–	–	–	–	–	–	–	–
Total expenses	**(379)**							
Surplus/(deficit) for the year	**413**	**9**	**43**	**1**	**2**	**–**	**129**	**55**

Statement of financial position as at 30 June 2016: closed missions (continued)

(Thousands of United States dollars)

	UNTAES	UNOMIL	UNPF	MINUGUA	UNMIH	UNAMIR/ UNOMIR	ONUSAL	ONUMOZ
Assets								
Cash and cash equivalents	450	18	3 466		1 468	1 384	34	643
Investments	4 858	190	37 412		15 841	14 943	366	6 939
Assessments receivable	–	–	–		–	–	–	–
Other receivables	–	–	33 942		17 066	–	–	–
Inventories	–	–	–		–	–	–	–
Property, plant and equipment	–	–	–		–	–	–	–
Other assets	–	–	–		–	–	–	–
Total assets	**5 308**	**208**	**74 820**	**–**	**34 375**	**16 327**	**400**	**7 582**
Liabilities								
Accounts payable	4 734	31	23 397		12 672	5 700	6	281
Total employee benefits	–	–	–		–	–	–	–
Other liabilities and provisions	–	–	130	124	–	–	–	–
Total liabilities	**4 734**	**31**	**23 528**	**124**	**12 672**	**5 700**	**6**	**311**
Net of total assets and total liabilities	**574**	**177**	**51 292**	**(124)**	**21 703**	**10 627**	**394**	**7 271**
Net assets								
Accumulated surplus/(deficit)	574	177	51 292	(124)	21 703	10 627	394	7 271
Reserves	–	–	–		–	–	–	–
Total net assets	**574**	**177**	**51 292**	**(124)**	**21 703**	**10 627**	**394**	**7 271**

Statement of financial performance for the year ended 30 June 2016: closed missions (continued)

(Thousands of United States dollars)

	UNTAES	UNOMIL	UNPF	MINUGUA	UNMIH	UNAMIR/ UNOMIR	ONUSAL	ONUMOZ
Assessed contributions	–	–	–		–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–		–	–	–	–
Investment revenue	44	2	487		142	136	3	31
Other revenues	–	–	–		–	–	–	–
Total revenues	**44**	**2**	**487**	**–**	**142**	**136**	**3**	**31**
Employee salaries, allowances and benefits	–	–	–		–	–	–	–
Contingent contracted services	–	–	–		–	–	–	–
Other expenses	–	–	(342)		–	–	–	(7 178)
Credits to Member States	–	–	–		–	–	–	–
Total expenses	**–**	**–**	**(342)**	**–**	**–**	**–**	**–**	**(7 178)**
Surplus/(deficit) for the year	**44**	**2**	**829**	**–**	**142**	**136**	**3**	**7 209**

Statement of financial position as at 30 June 2016: closed missions (concluded)

(Thousands of United States dollars)

	UNSOM	*UNMLT*	*UNTAC*	*UNTAG*	*UNIIMOG*	*UNEF*	*ONUC*	*Total*
Assets								
Cash and cash equivalents	31	–	23	40	21	7	78	17 397
Investments	330	4	249	432	223	74	842	187 775
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	–	51 040
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	876	1 973	3 751
Total assets	**361**	**5**	**272**	**472**	**243**	**958**	**2 893**	**259 963**
Liabilities								
Accounts payable	15 490	4	39 860	88	71	18 237	6 731	221 619
Total employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	70	–	104	38	–	21 542	39 743	86 970
Total liabilities	**15 560**	**4**	**39 964**	**126**	**71**	**39 780**	**46 475**	**308 864**
Net of total assets and total liabilities	**(15 199)**	**1**	**(39 693)**	**346**	**172**	**(38 822)**	**(43 582)**	**(48 901)**
Net assets								
Accumulated surplus/(deficit)	(15 199)	1	(39 693)	346	172	(38 822)	(43 582)	(48 901)
Reserves	–	–	–	–	–	–	–	–
Total net assets	**(15 199)**	**1**	**(39 693)**	**346**	**172**	**(38 822)**	**(43 582)**	**(48 901)**

Statement of financial performance for the year ended 30 June 2016: closed missions (concluded)

(Thousands of United States dollars)

	UNSOM	*UNMLT*	*UNTAC*	*UNTAG*	*UNIIMOG*	*UNEF*	*ONUC*	*Total*
Assessed contributions	–	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–	–
Investment revenue	2	–	1	4	2	–	6	1 884
Other revenues	–	–	–	–	–	667	73	741
Total revenues	**2**	**–**	**1**	**4**	**2**	**667**	**79**	**2 625**
Employee salaries, allowances and benefits	–	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–	101
Other expenses	(198)	–	(170)	–	–	–	–	(15 181)
Credits to Member States	–	–	–	–	–	–	–	45 935
Total expenses	**(198)**	**–**	**(170)**	**–**	**–**	**–**	**–**	**30 855**
Surplus/(deficit) for the year	**200**	**–**	**171**	**4**	**2**	**667**	**79**	**(28 230)**

Annex II

Budgetary reporting by mission

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Peacekeeping Force in Cyprus (UNFICYP)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	23 586	–	23 586	19 400	2 727	22 127	1 459
Civilian personnel	13 168	–	13 168	12 878	4	12 882	286
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	45	3	48	31	9	40	8
Official travel	276	–	276	269	7	276	–
Facilities and infrastructure	7 917	(838)	7 079	5 350	925	6 275	804
Ground transportation	2 313	–	2 313	2 101	210	2 311	2
Air transportation	2 573	10	2 583	1 467	744	2 211	372
Naval transportation	–	25	25	–	3	3	22
Communication	704	(12)	692	496	136	632	60
Information technology	967	190	1 157	989	157	1 146	11
Medical	362	14	376	374	3	377	(1)
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	628	608	1 236	1 131	80	1 211	25
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**15 785**	**–**	**15 785**	**12 208**	**2 274**	**14 482**	**1 303**
Subtotal	**52 539**	**–**	**52 539**	**44 486**	**5 005**	**49 491**	**3 048**
Prorated costs							
UNLB	436	–	436	436	–	436	–
Support account for peacekeeping operations	2 165	–	2 165	2 165	–	2 165	–
Subtotal	**2 601**	**–**	**2 601**	**2 601**	**–**	**2 601**	**–**
Voluntary contributions in kind (budgeted)	1 068	–	1 068	642	–	642	426
Total	**56 208**	**–**	**56 208**	**47 729**	**5 005**	**52 734**	**3 474**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Disengagement Observer Force (UNDOF)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	25 854	(3 620)	22 234	19 443	2 792	22 235	(1)
Civilian personnel	14 628	(451)	14 177	14 139	39	14 178	(1)
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	–	–	–	39	(36)	3	(3)
Official travel	408	375	783	760	25	785	(2)
Facilities and infrastructure	5 537	2 559	8 096	7 266	523	7 789	307
Ground transportation	2 083	(214)	1 869	1 526	257	1 783	86
Air transportation	–	–	–	–	–	–	–
Naval transportation	–	142	142	–	17	17	125
Communication	953	14	967	795	113	908	59
Information technology	915	100	1 015	773	172	945	70
Medical	357	133	490	465	25	490	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	971	962	1 933	1 815	119	1 934	(1)
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**11 224**	**4 071**	**15 295**	**13 439**	**1 215**	**14 654**	**641**
Subtotal	**51 706**	**–**	**51 706**	**47 021**	**4 046**	**51 067**	**639**
Prorated costs							
UNLB	429	–	429	429	–	429	–
Support Account for PKO	2 131	–	2 131	2 131	–	2 131	–
Subtotal Prorated costs	**2 560**	**–**	**2 560**	**2 560**	**–**	**2 560**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**54 266**	**–**	**54 266**	**49 581**	**4 046**	**53 627**	**639**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Interim Force in Lebanon (UNIFIL)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	334 170	(2 630)	331 540	249 781	61 543	311 324	20 216
Civilian personnel	93 896		93 896	91 630	401	92 031	1 865
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	–	41	41	37	4	41	–
Official travel	971	88	1 059	766	108	874	185
Facilities and infrastructure	18 161	(591)	17 570	15 076	1 772	16 848	722
Ground transportation	5 412	(654)	4 758	4 247	420	4 667	91
Air transportation	4 775	2 984	7 759	5 016	2 743	7 759	–
Naval transportation	31 750	(553)	31 197	14 405	16 268	30 673	524
Communication	6 796	(2 906)	3 890	3 266	75	3 341	549
Information technology	4 798	4 302	9 100	8 384	517	8 901	199
Medical	1 260	–	1 260	757	116	873	387
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	3 857	(81)	3 776	2 443	1 137	3 580	196
Quick-impact projects	500	–	500	413	86	499	1
Total operational requirements	**78 280**	**2 630**	**80 910**	**54 810**	**23 246**	**78 056**	**2 854**
Subtotal	**506 346**	**–**	**506 346**	**396 221**	**85 190**	**481 411**	**24 935**
Prorated costs							
UNLB	4 203	–	4 203	4 203	–	4 203	–
Support Account for PKO	20 864	–	20 864	20 864	–	20 864	–
Subtotal Prorated costs	**25 067**	**–**	**25 067**	**25 067**	**–**	**25 067**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**531 413**	**–**	**531 413**	**421 288**	**85 190**	**506 478**	**24 935**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Mission for the Referendum in Western Sahara (MINURSO)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	7 064	(600)	6 464	5 325	923	6 248	216
Civilian personnel	20 763	(246)	20 517	19 889	623	20 511	6
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	15	136	151	111	38	149	2
Official travel	670	118	788	400	389	789	(1)
Facilities and infrastructure	2 980	126	3 106	2 463	643	3 106	–
Ground transportation	1 089	–	1 089	613	407	1 020	69
Air transportation	10 700	(227)	10 473	9 810	231	10 042	431
Naval transportation	–	–	–	–	–	–	–
Communication	1 775	(321)	1 454	1 145	87	1 233	221
Information technology	1 313	149	1 462	1 274	188	1 462	–
Medical	159	–	159	50	84	133	26
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	4 590	865	5 455	2 009	3 446	5 455	–
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**23 291**	**846**	**24 137**	**17 875**	**5 513**	**23 389**	**748**
Subtotal	**51 118**	**–**	**51 118**	**43 089**	**7 059**	**50 148**	**970**
Prorated costs							
UNLB	425	–	425	425	–	425	–
Support Account for PKO	2 106	–	2 106	2 106	–	2 106	–
Subtotal Prorated costs	**2 531**	**–**	**2 531**	**2 531**	**–**	**2 531**	**–**
Voluntary contributions in kind (budgeted)	2 072	–	2 072	2 137	–	2 137	(65)
Total	**55 721**	**–**	**55 721**	**47 757**	**7 059**	**54 816**	**905**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Interim Mission in Kosovo (UNMIK)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	673	–	673	505	6	511	162
Civilian personnel	31 909	(3 400)	28 509	28 129	70	28 199	310
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	197	30	227	178	22	200	27
Official travel	326	241	567	498	38	536	31
Facilities and infrastructure	2 408	1 552	3 960	2 717	1 167	3 884	76
Ground transportation	280	312	592	149	397	546	46
Air transportation	–	–	–	–	–	–	–
Naval transportation	–	–	–	–	–	–	–
Communication	1 325	(478)	847	735	34	769	78
Information technology	1 759	160	1 919	1 891	19	1 910	9
Medical	50	(26)	24	22	2	24	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	690	1 609	2 299	1 588	725	2 313	(14)
Quick-impact projects	414	–	414	347	66	413	1
Total operational requirements	**7 449**	**3 400**	**10 849**	**8 125**	**2 470**	**10 595**	**254**
Subtotal	**40 031**	**–**	**40 031**	**36 759**	**2 546**	**39 305**	**726**
Prorated costs							
UNLB	332	–	332	332	–	332	–
Support Account for PKO	1 650	–	1 650	1 650	–	1 650	–
Subtotal Prorated costs	**1 982**	**–**	**1 982**	**1 982**	**–**	**1 982**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**42 013**	**–**	**42 013**	**38 741**	**2 546**	**41 287**	**726**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Organization Stabilization Mission in the Democratic Republic of Congo (MONUSCO)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	602 868	(5 103)	597 765	502 939	82 300	585 239	12 526
Civilian personnel	316 122	–	316 122	305 128	4 408	309 536	6 586
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	1 280		1 280	824	110	934	346
Official travel	8 159	2 385	10 544	7 265	3 279	10 544	–
Facilities and infrastructure	83 291	16 226	99 517	65 783	33 734	99 517	–
Ground transportation	25 978	2 989	28 967	17 217	11 751	28 968	(1)
Air transportation	188 292	(18 056)	170 236	125 174	43 967	169 141	1 095
Naval transportation	3 015	2 281	5 296	497	4 799	5 296	–
Communication	23 799	610	24 409	16 452	7 957	24 409	–
Information technology	18 245	9 770	28 015	20 008	8 007	28 015	–
Medical	2 271	1 109	3 380	2 330	1 050	3 380	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	52 420	(12 211)	40 209	28 556	10 953	39 509	700
Quick-impact projects	5 000	–	5 000	4 056	944	5 000	–
Total operational requirements	**411 750**	**5 103**	**416 853**	**288 162**	**126 551**	**414 713**	**2 140**
Subtotal	**1 330 740**		**1 330 740**	**1 096 229**	**213 259**	**1 309 488**	**21 252**
Prorated costs							
UNLB	11 046	–	11 046	11 046	–	11 046	–
Support Account for PKO	54 832	–	54 832	54 832	–	54 832	–
Subtotal Prorated costs	**65 878**	**–**	**65 878**	**65 878**	**–**	**65 878**	**–**
Voluntary contributions in kind (budgeted)	1 439	–	1 439	–	–	–	1 439
Total	**1 398 057**	**–**	**1 398 057**	**1 162 107**	**213 259**	**1 375 366**	**22 691**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Mission in Liberia (UNMIL)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	162 575	(48)	162 527	121 211	19 326	140 537	21 990
Civilian personnel	105 451	775	106 226	103 146	2 599	105 745	481
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	247	213	460	315	57	372	88
Official travel	1 776	875	2 651	1 551	601	2 152	499
Facilities and infrastructure	24 460	(887)	23 573	15 961	3 088	19 049	4 524
Ground transportation	5 397	(395)	5 002	2 709	495	3 204	1 798
Air transportation	24 339	(992)	23 347	18 832	3 279	22 111	1 236
Naval transportation	3 022	(144)	2 878	2 669	96	2 765	113
Communication	5 101	(58)	5 043	3 695	675	4 370	673
Information technology	5 152	110	5 262	4 569	685	5 254	8
Medical	929	(144)	785	653	111	764	21
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	4 211	695	4 906	3 832	1 100	4 932	(26)
Quick-impact projects	2 000	–	2 000	1 650	347	1 997	3
Total operational requirements	**76 634**	**(727)**	**75 907**	**56 436**	**10 534**	**66 970**	**8 937**
Subtotal	**344 660**		**344 660**	**280 793**	**32 459**	**313 252**	**31 408**
Prorated costs							
UNLB	2 861	–	2 861	2 861	–	2 861	–
Support Account for PKO	14 201	–	14 201	14 201	–	14 201	–
Subtotal Prorated costs	**17 062**	–	**17 062**	**17 062**	–	**17 062**	–
Voluntary contributions in kind (budgeted)	53	–	53	53	–	53	–
Total	**361 775**	–	**361 775**	**297 908**	**32 459**	**330 367**	**31 408**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Operation in Côte d'Ivoire (UNOCI)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	214 711	–	214 711	164 978	26 546	191 524	23 187
Civilian personnel	82 619	–	82 619	77 381	816	78 197	4 422
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	503		503	167	128	295	208
Official travel	3 016	(60)	2 956	1 935	135	2 070	886
Facilities and infrastructure	31 166	(199)	30 967	22 676	2 732	25 408	5 559
Ground transportation	6 963		6 963	4 904	473	5 377	1 586
Air transportation	30 478	(41)	30 437	20 989	3 193	24 182	6 255
Naval transportation	5		5	3		3	2
Communication	4 934	416	5 350	3 098	643	3 741	1 609
Information technology	4 949	(136)	4 813	4 234	468	4 702	111
Medical	1 296	(16)	1 280	634	165	799	481
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	20 155	36	20 191	9 759	6 066	15 825	4 366
Quick-impact projects	2 000	–	2 000	1 903	88	1 991	9
Total operational requirements	**105 465**	**–**	**105 465**	**70 302**	**14 091**	**84 393**	**21 072**
Subtotal	**402 795**	**–**	**402 795**	**312 661**	**41 453**	**354 114**	**48 681**
Prorated costs							
UNLB	3 343	–	3 343	3 343	–	3 343	–
Support Account for PKO	16 597	–	16 597	16 597	–	16 597	–
Subtotal Prorated costs	**19 940**	**–**	**19 940**	**19 940**	**–**	**19 940**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**422 735**	**–**	**422 735**	**332 601**	**41 453**	**374 054**	**48 681**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Stabilization Mission in Haiti (MINUSTAH)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	173 624	64	173 688	149 990	23 698	173 688	–
Civilian personnel	107 776		107 776	95 127	2 195	97 322	10 454
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	1 777	–	1 777	869	155	1 024	753
Official travel	3 542	–	3 542	3 108	359	3 467	75
Facilities and infrastructure	42 845	(8 069)	34 776	22 682	2 921	25 603	9 173
Ground transportation	6 743	(695)	6 048	4 667	672	5 339	709
Air transportation	11 919	(56)	11 863	4 500	6 661	11 161	702
Naval transportation	310	25	335	334	1	335	–
Communication	9 317	(574)	8 743	5 322	569	5 891	2 852
Information technology	6 934	797	7 731	7 442	288	7 730	1
Medical	1 587	–	1 587	566	389	955	632
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	9 982	8 508	18 490	11 731	6 759	18 490	–
Quick-impact projects	4 000	–	4 000	3 452	548	4 000	–
Total operational requirements	**98 956**	**(64)**	**98 892**	**64 673**	**19 322**	**83 995**	**14 897**
Subtotal	**380 356**	**–**	**380 356**	**309 790**	**45 215**	**355 005**	**25 351**
Prorated costs:							
UNLB	3 157	–	3 157	3 157	–	3 157	–
Support Account for PKO	15 672	–	15 672	15 672	–	15 672	–
Subtotal Prorated costs	**18 829**	**–**	**18 829**	**18 829**	**–**	**18 829**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**399 185**	**–**	**399 185**	**328 619**	**45 215**	**373 834**	**25 351**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: African Union-United Nations Hybrid Operation in Darfur (UNAMID)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	551 522	5 339	556 861	474 376	82 465	556 841	20
Civilian personnel	278 085	(324)	277 761	252 269	2 260	254 529	23 232
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	173	383	556	275	196	471	85
Official travel	4 647	1 953	6 600	3 461	1 993	5 454	1 146
Facilities and infrastructure	85 612	(9 693)	75 919	50 440	13 643	64 083	11 836
Ground transportation	11 272	597	11 869	10 507	1 267	11 774	95
Air transportation	96 860	(4 930)	91 930	79 754	1 321	81 075	10 855
Naval transportation	–	477	477	86	385	471	6
Communication	25 850	(4 714)	21 136	12 383	3 459	15 842	5 294
Information technology	16 700	3 087	19 787	15 341	3 538	18 879	908
Medical	1 489	129	1 618	653	376	1 029	589
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	27 955	7 696	35 651	19 056	12 612	31 668	3 983
Quick-impact projects	2 000	–	2 000	2 000	–	2 000	–
Total operational requirements	**272 558**	**(5 015)**	**267 543**	**193 956**	**38 790**	**232 746**	**34 797**
Subtotal	**1 102 165**	**–**	**1 102 165**	**920 601**	**123 515**	**1 044 116**	**58 049**
Prorated costs:							
UNLB	9 148	–	9 148	9 148	–	9 148	–
Support Account for PKO	45 414	–	45 414	45 414	–	45 414	–
Subtotal Prorated costs	**54 562**	**–**	**54 562**	**54 562**	**–**	**54 562**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**1 156 727**	**–**	**1 156 727**	**975 163**	**123 515**	**1 098 678**	**58 049**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Support Office in Somalia (UNSOS)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	117 140	23 658	140 798	137 264	3 504	140 768	30
Civilian personnel	54 351	3 938	58 289	57 621	249	57 870	419
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	1 980	5 393	7 373	6 146	735	6 881	492
Official travel	2 409	1 197	3 606	2 876	778	3 654	(48)
Facilities and infrastructure	92 617	(4 027)	88 590	78 256	10 137	88 393	197
Ground transportation	45 484	(7 893)	37 591	33 008	4 459	37 467	124
Air transportation	61 917	11 042	72 959	66 173	7 008	73 181	(222)
Naval transportation	1 194	180	1 374	1 278	96	1 374	–
Communication	29 279	(12 011)	17 268	14 652	2 557	17 209	59
Information technology	13 762	3 772	17 534	11 506	6 076	17 582	(48)
Medical	19 502	(8 511)	10 991	9 007	1 983	10 990	1
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	73 793	(16 738)	57 055	31 306	25 666	56 972	83
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**341 937**	**(27 596)**	**314 341**	**254 208**	**59 495**	**313 703**	**638**
Subtotal	**513 428**	**–**	**513 428**	**449 093**	**63 248**	**512 341**	**1 087**
Prorated costs:							
UNLB	4 262	–	4 262	4 262	–	4 262	–
Support Account for PKO	21 156	–	21 156	21 156	–	21 156	–
Subtotal Prorated costs	**25 418**	**–**	**25 418**	**25 418**	**–**	**25 418**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**538 846**	**–**	**538 846**	**474 511**	**63 248**	**537 759**	**1 087**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Interim Security Force for Abyei (UNISFA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	130 110	5 753	135 863	121 603	14 247	135 850	13
Civilian personnel	30 856	(725)	30 131	29 797	252	30 049	82
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	24	635	659	278	229	507	152
Official travel	1 242	274	1 516	1 059	337	1 396	120
Facilities and infrastructure	22 250	5 187	27 437	13 011	13 170	26 181	1 256
Ground transportation	2 118	(281)	1 837	1 045	355	1 400	437
Air transportation	40 132	(11 471)	28 661	26 107	2 069	28 176	485
Naval transportation	125	1 211	1 336	129	1 207	1 336	–
Communication	3 512	931	4 443	3 033	1 419	4 452	(9)
Information technology	5 474	(1 151)	4 323	3 508	784	4 292	31
Medical	247	(30)	217	104	89	193	24
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	31 667	(333)	31 334	9 237	22 057	31 294	40
Quick-impact projects	500	–	500	498	2	500	–
Total operational requirements	**107 291**	**(5 028)**	**102 263**	**58 009**	**41 718**	**99 727**	**2 536**
Subtotal	**268 257**		**268 257**	**209 409**	**56 217**	**265 626**	**2 631**
Prorated costs							
UNLB	2 227	–	2 227	2 227	–	2 227	–
Support Account for PKO	11 053	–	11 053	11 053	–	11 053	–
Subtotal Prorated costs	**13 280**	**–**	**13 280**	**13 280**	**–**	**13 280**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**281 537**	**–**	**281 537**	**222 689**	**56 217**	**278 906**	**2 631**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Mission in Southern Sudan (UNMISS)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	458 657	(3 000)	455 657	322 648	92 709	415 357	40 300
Civilian personnel	237 648	2 551	240 199	236 627	3 532	240 159	40
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	571	463	1 034	544	211	755	279
Official travel	6 130	47	6 177	3 842	2 174	6 016	161
Facilities and infrastructure	107 056	11 989	119 045	68 497	49 983	118 480	565
Ground transportation	21 396	(4 559)	16 837	12 648	4 127	16 775	62
Air transportation	146 356	(23 274)	123 082	115 905	3 302	119 207	3 875
Naval transportation	1 880	5 620	7 500	1 875	5 560	7 435	65
Communication	13 878	(587)	13 291	9 905	3 362	13 267	24
Information technology	18 092	1 562	19 654	14 642	4 914	19 556	98
Medical	2 809	(351)	2 458	1 532	619	2 151	307
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	70 297	9 539	79 836	41 088	38 700	79 788	48
Quick-impact projects	1 000	–	1 000	795	29	824	176
Total operational requirements	**389 465**	**449**	**389 914**	**271 273**	**112 981**	**384 254**	**5 660**
Subtotal	**1 085 770**		**1 085 770**	**830 548**	**209 222**	**1 039 770**	**46 000**
Prorated costs							
UNLB	9 012	–	9 012	9 012	–	9 012	–
Support Account for PKO	44 738	–	44 738	44 738	–	44 738	–
Subtotal Prorated costs	**53 750**	–	**53 750**	**53 750**	–	**53 750**	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**1 139 520**	–	**1 139 520**	**884 298**	**209 222**	**1 093 520**	**46 000**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	335 250	23 119	358 369	287 421	70 930	358 351	18
Civilian personnel	137 016	6 181	143 197	139 837	3 241	143 078	119
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	705	1 149	1 854	1 453	330	1 783	71
Official travel	5 244	1 149	6 393	5 057	1 287	6 344	49
Facilities and infrastructure	144 883	(16 139)	128 744	88 414	40 586	129 000	(256)
Ground transportation	21 512	(3 045)	18 467	14 713	3 749	18 462	5
Air transportation	149 752	(33 325)	116 427	71 633	44 794	116 427	–
Naval transportation	341	4 520	4 861	2 350	2 507	4 857	4
Communication	16 947	(132)	16 815	9 435	7 348	16 783	32
Information technology	16 770	10 528	27 298	20 888	6 410	27 298	–
Medical	5 418	(633)	4 785	3 870	926	4 796	(11)
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	85 468	6 628	92 096	44 071	47 974	92 045	51
Quick-impact projects	4 000	–	4 000	3 074	896	3 970	30
Total operational requirements	**451 040**	**(29 300)**	**421 740**	**264 958**	**156 807**	**421 765**	**(25)**
Subtotal	**923 306**	**–**	**923 306**	**692 216**	**230 978**	**923 194**	**112**
Prorated costs:							
UNLB	7 664	–	7 664	7 664	–	7 664	–
Support Account for PKO	38 044	–	38 044	38 044	–	38 044	–
Subtotal Prorated costs	**45 708**	**–**	**45 708**	**45 708**	**–**	**45 708**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**969 014**	**–**	**969 014**	**737 924**	**230 978**	**968 902**	**112**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel	380 957	20 036	400 993	299 963	100 770	400 733	260
Civilian personnel	154 605	1 905	156 510	153 512	2 962	156 474	36
Operational requirements							
Civilian electoral observers							
Consultants	463	971	1 434	724	407	1 131	303
Official travel	4 696	2 462	7 158	4 521	2 636	7 157	1
Facilities and infrastructure	122 413	(39 152)	83 261	41 410	41 850	83 260	1
Ground transportation	42 152	(6 956)	35 196	25 641	3 841	29 482	5 714
Air transportation	52 914	3 184	56 098	35 589	19 914	55 503	595
Naval transportation	90	3 140	3 230	266	2 942	3 208	22
Communication	20 364	(3 197)	17 167	13 547	3 503	17 050	117
Information technology	15 056	4 811	19 867	12 180	3 059	15 239	4 628
Medical	9 336	(4 027)	5 309	1 457	1 947	3 404	1 905
Special equipment							
Other supplies, services and equipment	33 599	16 823	50 422	27 792	22 629	50 421	1
Quick-impact projects	3 000		3 000	2 501	468	2 969	31
Total operational requirements	**304 083**	**(21 941)**	**282 142**	**165 628**	**103 196**	**268 824**	**13 318**
Subtotal	**839 645**	**–**	**839 645**	**619 103**	**206 928**	**826 031**	**13 614**
Prorated costs							
UNLB	6 757		6 757	6 757		6 757	–
Support Account for PKO	33 543		33 543	33 543		33 543	–
Subtotal Prorated costs	**40 300**	**–**	**40 300**	**40 300**	**–**	**40 300**	**–**
Voluntary contributions in kind (budgeted)							
Total	**879 945**	**–**	**879 945**	**659 403**	**206 928**	**866 331**	**13 614**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: Support account for peacekeeping operations

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel							
Civilian personnel	232 820	4 203	237 023	235 147	1 438	236 585	438
Operational requirements							
Civilian electoral observers							
Consultants	6 050	(1 608)	4 442	3 857	506	4 363	79
Official travel	9 638	(452)	9 186	7 365	1 749	9 114	72
Facilities and infrastructure	22 986	(564)	22 422	21 585	1 007	22 592	(170)
Ground transportation				44	13	57	(57)
Air transportation				16		16	(16)
Naval transportation							
Communication	2 071	(96)	1 975	1 777	259	2 036	(61)
Information technology	15 306	347	15 653	12 177	3 743	15 920	(267)
Medical		9	9	25	119	144	(135)
Special equipment							
Other supplies, services and equipment	47 625	(1 839)	45 786	44 660	398	45 058	728
Quick-impact projects							
Total operational requirements	**103 676**	**(4 203)**	**99 473**	**91 586**	**7 794**	**99 380**	**173**
Total	**336 496**	**–**	**336 496**	**326 653**	**9 232**	**335 885**	**611**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2015 to 30 June 2016: United Nations Logistics Base at Brindisi, Italy (UNLB)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Actuals*	*Commitments*	*Total expenditure*	*Balance*
Military and police personnel							
Civilian personnel	40 474	304	40 778	40 719	25	40 744	34
Operational requirements							
Civilian electoral observers							
Consultants	400	121	521	251	270	521	
Official travel	1 091	(5)	1 086	954	147	1 101	(15)
Facilities and infrastructure	8 243	(253)	7 990	5 010	3 814	8 824	(834)
Ground transportation	1 014	(56)	958	428	413	841	117
Air transportation				61		61	(61)
Naval transportation							
Communication	7 286	(104)	7 182	3 121	196	3 317	3 865
Information technology	6 895	(2)	6 893	9 626	655	10 281	(3 388)
Medical	305		305	20	17	37	268
Special equipment							
Other supplies, services and equipment	1 449	(5)	1 444	596	776	1 372	72
Quick-impact projects							
Total operational requirements	**26 683**	**(304)**	**26 379**	**20 067**	**6 288**	**26 355**	**24**
Subtotal	**67 157**	**–**	**67 157**	**60 786**	**6 313**	**67 099**	**58**
Strategic deployment stock activities — replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions and other entities	100 028		100 028	15 999	20 653	36 652	63 376
Total	**167 185**	**–**	**167 185**	**76 785**	**26 966**	**103 751**	**63 434**